TABUK AGRICULTURAL DEVELOPMENT COMPANY (TADCO)
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REPORT

TABUK AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Saudi Riyals)

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PKF
Ibrahim Ahmed Al-Bassam & Co. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the consolidated financial statements present fairly in all material respects the financial position of Tabuk Agricultural Development Company (TADCO), (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (together referred to as "The Group") as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

We have audited the consolidated financial statements of the Group, which comprise the following:

- The consolidated statement of financial position as of 31 December 2023;
- The consolidated statement of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in shareholders' equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements comprising material accounting policies and other explanatory information;

BASIS FOR OPINION

We have conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

As stated in note (3) in the consolidated financial statements, the consolidated financial statements of the Group include the financial information of Masader Agricultural Feed Mill Ltd. Company ("a subsidiary") and the formal procedures have not been completed to transfer the ownership of the assets and all operational operations to the subsidiary in accordance with the waiver signed between the owner of the establishment (one of the partners) and the subsidiary. Our opinion has not been modified regarding this matter. The total assets of Masader Agricultural Feed Mill Ltd included in this consolidated financial statement amounted to SR 21.7 million (2022:26.2 million), total liabilities amounted to SR 22.8 million (2022:24.4 million), revenues of SR 0.1 million (2022:1.5 million) and total expenses of SR 5 million (2022:16.1 million).

We would like to further draw attention to note (32) on the consolidated financial statements, which indicates that the total accumulated losses of the Group amounted to SR 63,184,610 representing 16.1% of the capital (2022: SR 163,094,500 representing 41.6% of the capital), and current liabilities exceeded the Group current assets, which led to a deficit in working capital amounted to SR 80,890,978. The Group also have negative net cash flow from operating activities of SR 13,830,429 (2022: SR 17,568,214) The group is mainly depend on the successful execution of the group business plans to generate sufficient cash flows so as to enable it to both meet its obligations as they fall due and maintain the continuity of its operation without significant curtailment. As further described in note (32) indicate the existence of material uncertainties and impairments in the value of assets, which may indicate that there is significant doubt about the Group's ability to continue as a going concern. Our opinion has not been modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Impairment assessment of property, plant, and equipment	
As of 31 December 2023, the property, plant, and equipment balance amounted to SR 215,242,200 (2022: SR 305,443,303). At the date of each financial reporting, the Group determines the cash generating unit for these assets at the lowest levels that have internal cash flows that can be identified separately and accurately. The management review the book values of the cash generating unit to assess whether there are indicators for the impairment of the value. If there are indicators for impairment in the value, the management determine the recoverable value or the fair value less selling costs, whichever is higher. For this purpose, management estimated the value in use of these assets related to the group cash-generating unit based on the business plans approved by the group's Board of Directors, which reflect management's vision regarding external market conditions and some internal variables. Based on the valuation prepared by an expert certified by Saudi Authority for Accredited Valuers (Taqeem), the group's management considered that the recoverable value of the assets was less than its book value by an amount of 8,397,920 Saudi riyals (2022: 8,397,920 Saudi riyals). The accounting policy for the property, plant, and equipment is explained in note 4 and the details of the property, plant, and equipment are presented in note 6.	Our audit procedures included: - We reviewed the appropriateness of management's determination of the Group's cash generating units. - We reviewed management procedures for determining impairment indicators of property and equipment, - We obtained the study prepared by the evaluator and verified the independence and assumptions made in the study. - Assess the reasonableness of management's assumptions and estimates used to assess the value in use and determine the recoverable amount for assets. - Assessing the adequacy of disclosures included in the consolidated financial statement.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Inventory Valuation	

As of 31 December 2023, the net inventories balance amounted to SR 19,247,907(2022: SR 38,260,531).
 	
The existence and valuation of inventories are key to the audit because of the following:
 	
- The group has a high level of inventories at the end of the year.
 	
- With reference to note 3, inventories are valued at cost or net realizable value whichever is lower and cost is determined using the weighted average method, determining whether inventories will be realized at less than cost requires management to exercise judgement and apply assumptions based on the most documented evidence at the time estimates are made. Management performs the following procedures to determine the required impairment:
  - For the useful lives of inventories, management establishes a provision for slow moving and idle inventories on a percentage basis. These percentages are derived from historical levels of provision.
  - An analysis of inventories items is performed on the date of the consolidated financial statements to ensure that it is recorded at cost or net realizable value, whichever is lower, and a reduction in value is recognized if necessary.
  - The accounting policy for inventories is clarified in note 4, and the details of inventories are presented in note 11.
	Our audit procedures included:
	
	- Our procedures to address the risks of material misstatement relating to the existence of inventories include the following:
	  - Attending the actual inventories count at the end of the year and assessing the adequacy of control over the presence of inventories.
	  - Reviewing the group procedures to reflect the results of the actual inventories in the accounting records.
	- In connection with the determination of the cost of inventories, our audit procedures included:
	  - For purchases items from stock including raw materials and spare parts, review purchases and test supporting documents on a sample basis.
	
	- In connection with the determination of the net realizable value of inventories, our audit procedures included:
	  - Testing the aging report prepared by the management and verifying the validity of the obsolete items by matching a sample of the inventories to the absolute stock and the date of recorded invoices.
	  - The net realizable value has been tested and compared with recent selling prices of inventories after deducting cost to sale on a sample basis.
	  - Reviewing the accounting policy applied to the group and ensuring its conformity with the policy included in the consolidated financial statements.
	  - Slow-moving and stagnant inventories have been recalculated.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Revenue Recognition- Revenues	
With reference to the accounting policy related to revenue recognition, the Group's net revenues for the year ended on 31 December 2023 amounted to SR 105,497,300 (2022: SR 134,371,386). Revenue recognition is a key audit matter because of the following: - Transaction volume increased. - The professional standards on auditing assume that there is a significant risk of revenue recognition. The accounting policy for how revenue is explained in note 4, and details of revenue are presented in note 29.	Our audit procedures included: - Evaluate the design, implementation and testing of the effectiveness and efficiency of control systems related to the revenue cycle - Inspected a sample of sales transactions taking place before and after the year-end to assess whether revenue was recognized in the correct accounting period; - Perform documentary examination tests and analytical procedures.

OTHER INFORMATION
Management is responsible for the other information. The other information comprises the information included in the company annual report for the year 2023, other than the consolidated financial statements and our auditors report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact and we have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS
The company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and the Regulations for Companies, and responsible for the internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the company's management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company's management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group, to express an opinion on the consolidated financial statements. we are responsible for directing, supervising and carrying out the group review process. We remain solely responsible for the audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters were of most significance in the audit of the consolidated financial statements for the current period, and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Al-Bassam & Co.

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
license 520/11/323
Al-Bassam & Co.
Certified Public Accountants

Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Jeddah: 21 Ramadan 1445 H
Corresponding to: 31 March 2024

TABUK AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023
(Expressed in Saudi Riyals)

	Note	31 December 2023	31 December 2022 (restated – note33)	1 January 2022 (restated – note33)
Assets				
Non-Current Assets				
Property, plant and equipment, net	6	**215,242,200**	305,443,303	301,049,316
Right of use asset, net	7	**95,416**	742,307	122,678
Intangible assets, net	8	**--**	1,069	5,344
Biological assets - non-current portion, net	9	**16,453,145**	18,941,240	19,101,500
Investments in companies through equity method	10/1	**201,495,269**	3,559,285	220,297
Investments at fair value through OCI	10/3	**789,520**	681,458	412,800
Total Non-Current Assets		**434,075,550**	329,368,662	320,911,935
Current Assets				
Trade Receivable, net	13	**7,154,532**	11,214,932	7,880,195
Inventory, net	11	**19,247,907**	38,260,531	27,343,615
Biological assets - Current portion, net	9	**18,455,818**	18,560,499	19,376,927
Property, plant and equipment held for sale		**57,103**	370,816	556,500
Due from related parties	25	**4,823,780**	11,042,869	14,286,325
Prepayments and other receivables, net	12	**4,910,054**	11,309,640	22,921,734
Cash and cash equivalents	14	**9,486,768**	4,718,131	57,207,732
Total Current Assets		**64,135,962**	95,477,418	149,573,028
Total Assets		**498,211,512**	424,846,080	470,484,963
Shareholders' Equity and Liabilities				
Shareholders' Equity				
Share capital	1	**391,767,000**	391,767,000	391,767,000
Other reserves	15	**1,858,734**	1,858,734	1,858,734
Re-measurement reserve of employee defined benefit obligations	17	**(395,679)**	515,434	479,961
Foreign currency translation reserve	10/2	**(2,147,178)**	(1,412,006)	--
Fair value reserve	10/3	**376,720**	268,658	--
Accumulated losses		**(63,184,610)**	(163,094,500)	(111,625,892)
Total equity attributable to shareholders of the Parent Company		**328,274,987**	229,903,320	282,479,803
Non-controlling interest		**500,000**	39,215,383	39,509,928
Total Equity		**328,774,987**	269,118,703	321,989,731
Liabilities				
Non-Current Liabilities				
Long term loan– non-current portion	16	**10,000,000**	--	--
Lease liabilities – non-current portion	7	**88,995**	646,724	122,050
Employee defined benefit obligations	17	**14,320,590**	13,055,659	12,949,307
Total Non-Current Liabilities		**24,409,585**	13,702,383	13,071,357
Current Liabilities				
Dismantling provision	30	**1,277,200**	1,277,200	2,150,000
Provision for guarantee loan related to associate company	10/1	**16,906,830**	16,906,830	18,033,952
Long-term loans - current portion	16	**5,500,000**	7,319,301	8,988,914
Lease liabilities - current portion	7	**14,463**	129,457	11,796
Trade payables		**33,616,725**	23,446,271	18,858,459
Due to related party	25	**14,145,473**	25,297,535	27,185,010
Accrued expenses and other payables	18	**45,291,308**	38,555,141	32,422,099
Dividends payable to shareholders	31	**22,961,106**	22,997,464	23,046,458
Provision for Zakat	19	**5,313,835**	6,095,795	4,727,187
Total Current Liabilities		**145,026,940**	142,024,994	135,423,875
Total Liabilities		**169,436,525**	155,727,377	148,495,232
Total Shareholders' Equity and Liabilities		**498,211,512**	424,846,080	470,484,963

Chief Financial Officer	**Chief Executive Officer**	**Authorized Board Member**
Mohamed Saad Bakry	Yahya Ahmed Al-Mobarki	Yousef Abdullah Al-Raily

The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Saudi Riyals)

	Note	**2023**	2022 (restated – note33)
Sales, net	28	**105,497,300**	134,371,386
Cost of sales	20	**(102,476,936)**	(114,704,836)
Gross profit		**3,020,364**	19,666,550
Selling and distribution expenses	21	**(31,577,199)**	(29,567,475)
General and administrative expenses	22	**(33,361,618)**	(32,907,784)
Operating losses		**(61,918,453)**	(42,808,709)
Provision for expected credit losses		**(1,728,572)**	(9,275,550)
Shares of profit of investments in associate through equity method	10/1	**155,553,295**	4,750,994
Finance costs	23	**(286,814)**	(105,825)
Other expenses, net	26	**(7,735,415)**	(1,062,097)
Net profit / (loss) before Zakat		**83,884,041**	(48,501,187)
Zakat	19	**(2,837,255)**	(5,149,440)
Net profit / (loss) for the year		**81,046,786**	(53,650,627)
Other comprehensive loss			
Items that will not be reclassified to profit or loss:			
Unrealized gains from investments at fair value through other comprehensive income	10/3	**108,062**	268,658
Actuarial (losses) / gains on re-measurement of employee defined benefit obligations	17	**(911,113)**	35,473
Items that may be reclassified later to statement of profit or loss in subsequent periods:			
Foreign currency translation differences	10/2	**(735,172)**	(1,412,006)
Total other comprehensive loss		**(1,538,223)**	(1,107,875)
Total comprehensive income / (loss) for the year		**79,508,563**	(54,758,502)
Basic profit (loss) per share from net profit / (loss) for the year	24	**2,07**	(1.37)
Profit / (Loss) for the year attributable to:			
Shareholders of the parent company		**80,788,890**	(51,468,608)
non-controlling interest		**257,896**	(2,182,019)
		81,046,786	(53,650,627)
Comprehensive income / (loss) attributable to:			
Shareholders of the parent Company		**79,250,667**	(52,576,483)
Non-controlling interest		**257,896**	(2,182,019)
		79,508,563	(54,758,502)

Chief Financial Officer
Mohamed Saad Bakry

Chief Executive Officer
Yahya Ahmed Al-Mobarki

Authorized Board Member
Yousef Abdullah Al-Rajhy

The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Saudi Riyals)

	Share capital	Other reserves	Re-measurement reserve of employee defined benefit obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Non-controlling interest	Total Equity
2022:									
Balance as of 1 January before restated	391,767,000	1,858,734	479,961	--	--	(96,412,880)	297,692,815	39,509,928	337,202,743
Adjustments (Note 33)	--	--	--	--	--	(15,213,012)	(15,213,012)	--	(15,213,012)
Balance as of 1 January after restated	391,767,000	1,858,734	479,961	--	--	(111,625,892)	282,479,803	39,509,928	321,989,731
Net loss for the year (restated)	--	--	--	--	--	(51,468,608)	(51,468,608)	(2,182,019)	(53,650,627)
Other comprehensive loss	--	--	35,473	(1,412,006)	268,658	-	(1,107,875)	--	(1,107,875)
Total comprehensive loss for the year	--	--	35,473	(1,412,006)	268,658	(51,468,608)	(52,576,483)	(2,182,019)	(54,758,502)
Absorption of losses from non-controlling interest for (Subsidiary Company) *	--	--	--	--	--	--	--	1,887,474	1,887,474
Balance as of 31 December (restated)	391,767,000	1,858,734	515,434	(1,412,006)	268,658	(163,094,500)	229,903,320	39,215,383	269,118,703
2023:									
Balance as of 1 January 2023 (restated)	**391,767,000**	**1,858,734**	**515,434**	**(1,412,006)**	**268,658**	**(163,094,500)**	**229,903,320**	**39,215,383**	**269,118,703**
Net profit for the year	**--**	**--**	**--**	**--**	**--**	**80,788,890**	**80,788,890**	**257,896**	**81,046,786**
Other comprehensive loss	**--**	**--**	**(911,113)**	**(735,172)**	**108,062**	**--**	**(1,538,223)**	**--**	**(1,538,223)**
Total comprehensive income for the year	**--**	**--**	**(911,113)**	**(735,172)**	**108,062**	**80,788,890**	**79,250,667**	**257,896**	**79,508,563**
Absorption of losses from non-controlling interest for (Subsidiary Company) *	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**11,167,183**	**11,167,183**
Disposal non-controlling interest about loss control in investment in subsidiary (note 10/1)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**(59,445,548)**	**(59,445,548)**
Transactions with non-controlling interests (Note 3)	**--**	**--**	**--**	**--**	**--**	**19,121,000**	**19,121,000**	**9,305,086**	**28,426,086**
Balance as of 31 December	**391,767,000**	**1,858,734**	**(395,679)**	**(2,147,178)**	**376,720**	**(63,184,610)**	**328,274,987**	**500,000**	**328,774,987**

*Represent absorption of losses from non-controlling interest holders for Masader Agricultural Feed Mill Ltd Company ("a subsidiary") which is owned by Tabuk Agricultural Development Company by 60% and the total losses will be absorption by partners SR (27,917,957) and the Non-controlling interest represent 40% amounted SR 11,167,183 based on the partner decision dated 22 March 2023 and 25 March 2024 for subsidiary company.

Chief Financial Officer
Mohamed Saad Bakry

Chief Executive Officer
Yahya Ahmed Al-Mobarki

Authorized Board Member
Yousef Abdullah Al-Rajhy

The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Saudi Riyals)

	Note	2023	2022 (restated – note33)
OPERATING ACTIVITIES:			
Net profit (loss) for the year before zakat		**83,884,041**	(48,501,187)
Adjustments for:			
Depreciation of property, plant and equipment	6	**22,643,158**	27,554,443
Impairment of biological assets from revaluation	1/9	**8,859,077**	6,007,268
Defined benefit obligations – Provided during the year	17	**2,415,532**	1,869,049
Amortization of intangible assets	8	**1,069**	4,275
Amortization of right of use assets	7/1	**13,631**	132,951
Provision of expected credit loss	13-14	**1,728,572**	469,050
Provision for other receivables	12/1	**26,073**	10,368,993
Group shares of the profit / (loss) of investments through equity method	10/1	**(155,553,295)**	(4,750,994)
Reverse of dismantling provision	30	**--**	(872,800)
Impairment of inventory		**3,379,669**	2,543,285
Provision of the obsolescence and slow-moving inventory	11/1	**1,580,738**	--
Reverse of the obsolescence and slow-moving inventory	11/1	--	(1,439,223)
Finance costs	23	**286,814**	105,825
Changes in operating assets and liabilities			
Inventory		**1,026,931**	(11,924,138)
Trade receivables		**(1,075,593)**	5,002,713
Due from related parties		**(92,647)**	3,243,456
Prepayments and other receivables		**4,556,232**	(7,563,399)
biological assets		**(6,266,301)**	(5,030,580)
Trade payables		**10,780,641**	4,587,810
Due to related part		**5,878**	--
Accrued expenses and other payables		**12,143,808**	6,133,045
Cash used in operating activities		**(9,655,972)**	(12,060,158)
Employees defined benefit obligations paid	17	**(1,112,021)**	(1,727,224)
Zakat paid during the year	19/2	**(3,062,436)**	(3,780,832)
Net cash used in operating activities		**(13,830,429)**	(17,568,214)

Chief Financial Officer
Mohamed Saad Bakry

Chief Executive Officer
Yahya Ahmed Al-Mobarki

Authorized Board Member
Yousef Abdullah Al-Rajhy

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Saudi Riyals)

	Note	2023	2022 (restated – note33)
INVESTING ACTIVITIES:			
Proceeds from disposal of investment in the equity method		**28,697,139**	--
Proceeds for property, plant and equipment held for sale		**313,713**	185,684
Purchase of property, plant and equipment	6	**(16,139,706)**	(32,241,901)
Proceeds from the sale of property, plant and equipment		**--**	293,471
Net cash generated from / (used in) investing activities		**12,871,146**	(31,762,746)
FINANCING ACTIVITIES:			
Proceeds from long terms loan	16	**10,000,000**	--
Payment of long-term loans	16	**(1,819,301)**	(1,669,614)
Payment of provision for guarantee loan related to associate company		**--**	(1,127,122)
Dividends paid	31	**(36,358)**	(48,994)
Paid from Lease labilities	7/3	**(21,705)**	(209,357)
Finance cost paid		**(283,701)**	(103,554)
Net cash generated from / (used in) financing activities		**7,838,935**	(3,158,641)
Net change in cash and cash equivalents		**6,879,652**	(52,489,601)
Cash and cash equivalents at the beginning of the year	14	**4,718,131**	57,207,732
Lose control in the cash and cash equivalent for subsidiary company		**(2,111,015)**	--
Cash and cash equivalents at the ending of the year	14	**9,486,768**	4,718,131
Non-cash transactions			
Right of use assets from lease contracts		**--**	752,580
Lose control on property plant and equipment for subsidiary company		**(33,232,317)**	--
Lose control on the right of use assets for subsidiary company		**(248,984)**	--
Lose control on trade receivable for subsidiary company		**(1,757,605)**	--
Lose control on inventory for subsidiary company		**(4,935,729)**	--
Lose control on prepaid expense and other receivables for subsidiary company		**(1,421,828)**	--
Lose control on lease liability for subsidiary company		**258,626**	--
Lose control on employee end of services benefits for subsidiary company		**379,877**	--
Lose control on trade payable for subsidiary company		**2,007,416**	--
Lose control on accrued expenses and others payables for subsidiary company		**2,168,469**	--
Unrealized gain from investment at fair value through OCI		**148,548,974**	268,658
Transferred from project under construction to property plant and equipment		**1,188,905**	--
Transaction with non-controlling interest		**19,121,000**	--
Absorption losses from non-controlling interest for (Subsidiary Company)		**11,167,183**	1,887,474
Additions on investment in equity method		**4,358,774**	--

*In accordance with the decision of the Board of Directors of Tabuk Agricultural Development Company "TADCO" issued on September 3, 2023 AD to lose control over Horizon Food Company and in accordance with Article (98b) of International Financial Reporting Standard No. (10), which indicates that in the event of loss of control over a subsidiary company, the assets must be derecognized. And the obligations of the subsidiary facility at the book value on the date of loss of control, all the assets and liabilities of the Horizon Food Company were derecognized in the consolidated financial statements for the year ending on December 31, 2023. Therefore, the effect of the assets and liabilities of the Horizon Food Company has been derecognized from the opening balance so that the net change during the year was deducted from the assets. And the liabilities of the subsidiary of Horizon Food Company.

Chief Financial Officer	Chief Executive Officer	Authorized Board Member
Mohamed Saad Bakry	Yahya Ahmed Al-Mobarki	Yousif Abdullah Al-Rajhy

(Expressed in Saudi Riyals)

1- COMPANY'S MAIN ACTIVITIES

The Tabuk Agricultural Development Company "TADCO" is a Saudi joint stock company registered under the company's commercial registration issued by the city of Tabuk under registration No 3550005403. On 15 Shaaban 1404 corresponding to 16 May 1984. The company was formed on 22 March 1983, by Royal Decree No. (11/M).

The Company's capital is SR 450 million divided into 45 million shares, with a Par value of SR 10 per share. On 18 March 2020, the capital was reduced to SR 241,767,000, with a Par value of SR 10 per share, to cover the Company's accumulated losses on 4 May 2021, the capital was increased by SR 150 million to become SR 391,767,000 divided to 39,176,700 shares with a Par value of SR 10 per share. This resulted in costs of issuing equity instruments amounting to SR 6.8 million that were deducted from equity.

On 3 May 2021, the Company's board of directors approved the use of the statutory reserve amounting to SR 68 million to extinguish part of the accumulated losses according to the audited financial statements as of 31 December 2020, amounting to SR 86.5 million.

The main activity of the Group is mixed farming (mixed production between crops and animals without specialized production of crops and animals), support activities for animal production, the manufacture of concentrated feed for animals, management and leasing of owned or leased real estate (residential), management and leasing of owned or leased real estate (non-residential).

The Group's fiscal year begins at the beginning of January of each calendar year and ends at the end of December of the same year.

The Group's head office is located in the Tabuk region PO Box 808 Tabuk 71421, and the Board of Directors may establish branches, offices or agencies for it inside and outside the Kingdom of Saudi Arabia.

The accounts of the parent Company include the accounts of the following branches:

Branches	City	Commercial Registration	Commercial Registration Date
Sub-registry of Tabuk Company	Riyadh	1010439522	Safar 19, 1437 AH
Sub-registry of Tabuk Company	Dammam	2050107496	Safar 19, 1437 AH
Sub-registry of Tabuk Company	Jeddah	4030286243	Safar 19, 1437 AH
Tabuk Agricultural Development Company Cork Factory	Tabuk	3550033016	2 Rabi` al-Thani 1435 AH
North Factory for the extraction and packaging of oils	Tabuk	3550033015	2 Rabi` al-Thani 1435 AH
Tabuk Agricultural Development Company	Khamis Mushait	5855069210	Safar 19, 1437 AH
Tabuk Agricultural Development Company Nursery	Tabuk	3550033301	24 Rabi` al-Thani 1435 AH

2- BASIS OF PREPARATION

2/1 Statement of compliance

These consolidated financial statements have been prepared for the year than ended in 31 December 2023 in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and company bylaw.

2/2 BASIS OF MEASUREMENT AND PRESENTATION

The consolidated financial statements have been prepared on the historical cost basis, Unless international financial reporting standards allow measurement according to other evaluation methods.

Preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates, and assumptions that may affect the application of accounting policies and the amounts reported in the consolidated financial statements. These significant judgments and assumptions have been disclosed in Note 5.

2- BASIS OF PREPARATION (CONTINUED)

2/2 BASIS OF MEASUREMENT AND PRESENTATION (CONTINUED)

The items included in the company's financial statements are measured using the functional currency, which is the basic economic environment in which the company operates ("the functional currency"). The financial statements are presented in Saudi Riyals, which is both the functional currency and the presentation currency.

2/3 STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS

Amendments
A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the group consolidated financial statements,

New amendments to the standards issued and applied as of 2023

Amendments to standards	description	Effective for annual periods from or after	Summary of amendments
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
IAS 12	International tax reform (pillar two model rules)	January 1, 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

2- BASIS OF PREPARATION (CONTINUED)

2/3 Standards, interpretations, and amendments to existing standards (CONTINUED)

New standards, interpretations and amendments on issued standard but not effected yet
The group has not applied the following new and revised IFRS and amendments to IFRS that have been issued but are not yet effective.

Amendments to standards	description	Effective for annual periods from or after	Summary of amendments
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	January 1, 2025	These adjustments regarding the definition of accounting estimates to help enterprises distinguish accounting policies from accounting estimates.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3- BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of Tabuk Agricultural Development Company "TADCO" (the "Company" or "Parent Company") and its subsidiaries (together referred to as the "Group") as of 31 December 2023. The date of the financial statements for all subsidiaries is 31 December 2023.

Subsidiaries are those companies over which the parent company has control. The control is realized when the Group is exposed to or has the right to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns.

A parent Company controls an investee company if it has all three of the following elements:

- Power over the investee company;
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to influence the amount of the entity's returns.

When the Parent Company does not have a majority of the voting rights in an investee, the Parent Company considers other facts and factors when assessing control, including:

- Arrangement (or arrangements) with the other voting rights holders of the investee Company.
- The parent company is voting rights.
- The Group is voting rights and any potential voting rights.

The consolidated financial statements include the financial statements of subsidiaries acquired or sold from the date on which effective control commences until that control effectively ceases.

The financial statements of the subsidiaries are compiled on a line-by-line basis by adding similar items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealized gains or losses arising from intra-group transactions, are eliminated in full. Consolidated financial statements should be prepared using uniform accounting policies for like transactions and other events in like circumstances.

The financial statements of the subsidiaries are prepared for the same date or within three months of the date of the parent company's financial statements period, using consistent accounting policies.

Adjustments are made to standardize any asymmetric accounting policies that may exist between the financial year date of the subsidiaries and the parent company's financial year date.

The non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity in these companies. The non-controlling interest consists of the amount of those interests at the date of the actual combination of the business and the non-controlling interest's share of changes in equity since the date of the combination. Losses within a subsidiary accrue to the non-controlling interest even if this results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control over these subsidiaries are accounted for as equity transactions. For purchases from non-controlling interests, the difference between any amount paid and the related purchased share of the fair value of the net assets of the subsidiary is recognized in equity. Gains or losses on disposals to the non-controlling interests are also recognized in equity.

When the Group ceases to have control or significant influence, any retained equity interest is re - measured to its fair value and the change in carrying amount is recognized in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income relating to this entity are accounted for as if the Group had directly disposed of these assets or liabilities (that is, it is reclassified to profit or loss or transferred directly to retained earnings as determined by it). International Financial Reporting Standards.

(Expressed in Saudi Riyals)

3- BASIS OF CONSOLIDATION (CONTINUED)

Company Name	Commercial registration number	Legal Form	Country of incorporation	Direct ownership percentage as of 2023	Direct ownership percentage as of 2022	Activity
Horizon Food Company Limited*	2051220421	Closed joint stock company	Kingdom of Saudi Arabia	40%	50%	Production of chilled and frozen poultry rabbits and birds Production of chilled and frozen meat Cutting, processing, packaging and packaging of meat and poultry Production of sausages (sausages) and hamburgers from meat.
Masader Agricultural Feed Mill Ltd Company**	4030325647	A limited liability company	Kingdom of Saudi Arabia	60%	60%	Sales agents in live animals. Wholesale of grains and seeds, except for barley. Wholesale of livestock feed.
Tabuk Agricultural Marketing Company***	3550123534	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Agricultural marketing.
Tabuk Nurseries Company***	3550123535	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Landscaping.

* On 15 March 2023, Tabuk Agricultural Development Company announces the sale of 10% of its total shares owned in Horizon Food Company (a Subsidiary Company) with 800,000 shares, in a value of SR 29.6 million, by offering the shares of Horizon Food Company in the parallel market (Nomu) The book value of those shares is - As of 30 September 2022, according to the approved and unaudited financial statements of Horizon Food Company – SR 9.1 million, which has led to a cash inflows for the company in the amount of SR 29.6 million and an exceptional decrease in the accumulated losses in the amount of SR 19.3 million (after deducting offering costs), noting That Tabuk Agriculture Development Company has not lost control on Horizon Food Company that date which is still a subsidiary.

As of September 3, 2023, the Board of Directors decided that Tabuk Agricultural Development Company has lost control over Afia Food Company based on Horizon Food Company's announcement on August 6, 2023, regarding the resignation of the Chairman of the Board and two members of the board of directors. From this date, the group loses control over the subsidiary company Therefore, all assets and liabilities of Horizon Food Company were excluded in the consolidated financial statements for the year ended 31 December 2023 and following the financial position in the date of loss control.

(Expressed in Saudi Riyals)

3- BASIS OF CONSOLIDATION (CONTINUED)

ASSETS	**30 September 2023**
Non-current assets	
Property plant and equipment	**33,232, 317**
Right of use assets	**248,984**
Total Non-Current Assets	**33,481,301**
Current Assets	
Trade receivable, Net	**1,757,605**
Inventory, Net	**4,935,729**
Prepayments and other receivables, net	**1,421,828**
Cash and cash equivalents	**2,289,723**
Total Current Assets	**10,404,885**
Total Assets	**43,886,186**
Liabilities	
Non-Current Liabilities	
Lease liabilities – non-current portion	**214,588**
Employee defined benefit obligations	**379,877**
	594,465
Current Liabilities	
Lease liabilities - current portion	**44,037**
Trade payables	**2,007,416**
Accrued expenses and other payables	**2,168,469**
Provision for Zakat	**312,711**
Total Current Liabilities	**4,532,633**
Total Liabilities	**5,127,098**
Group shares from net assets	**38,759,088**

** The group waived all its shares in the Fine Flour Mills Company “a subsidiary” amounting to 750 shares to a related party with its rights and obligations, in exchange for establishing a new company “Masader Agricultural Feed Mill Ltd Company” with a capital of SR 1,250,000 Provided that the group owns 60% of the capital at a value of SR 750,000, and the commercial registration of the subsidiary company was issued on 24 February 2019. The group management works with the management of the subsidiary company to finalize the procedures for transferring ownership of assets and transferring all operational financial operations in the name of the affiliated group to the waiver agreement signed between The owner of the establishment (one of the partners) and the group, where the total assets of the Masader Agricultural Feed Mill Ltd Company included in these consolidated financial statements amounted to SR 21.7 million, and its total expenses amounted to SR 5 million. In order to preserve the rights of the shareholders of Tabuk Agricultural Development Company, the company filed a lawsuit to claim the recovery of the sum of SR 18 million, which was presented to the subsidiary company in exchange for the partner’s assignment of the factory’s assets, in the case that ownership could not be transferred to the subsidiary company.

***Based on the decision of the Extraordinary General Assembly on 11 October 2022, it was approved to liquidate both the Tabuk Nurseries and Landscaping Company and the Tabuk Agricultural Marketing Company, and the regular procedures for liquidation will begin.

3- BASIS OF CONSOLIDATION (CONTINUED)

Non-Controlling Interests
Non-controlling interest is measured at the acquisition date either at the fair value or the proportionate share of the fair value of the identifiable net assets of the acquire. The measurement basis is selected separately for each transaction. Subsequent to the acquisition, the non-controlling interests are presented at initial recognition plus their share of the subsequent changes in equity of the acquire, and are shown as a separate item in the statement of profit or loss, other comprehensive income, and within the equity at the consolidated statement of financial position.

Acquisitions or disposals of non-controlling interests that does not affect the parent company's control on the subsidiary are accounted for as transactions with equity holders. The difference between the fair value of the consideration for the paid or collected amounts and the change in non-controlling interests is recognized directly at the shareholders' equity.

Business combinations and goodwill
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred or assumed by the Group to the former owners of the acquire and equity instruments issued by the Group in exchange for control of the acquire, plus any costs directly attributable to the business combination. Acquisition - related costs are generally recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date.

When the consideration transferred by the group in a business combination includes assets or liabilities resulting from the contingent consideration arising under the agreement, the contingent consideration is measured at fair value on the acquisition date and included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments credited to the goodwill account.
Measurement period adjustments are adjustments that result from the availability of additional information obtained during the “measurement period” (which shall not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non - controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non - controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non - controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non - controlling interests ' proportionate share of the recognize amounts of the acquirer’s identifiable net assets. The choice of measurement basis is made on a transaction by - transaction basis.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for items for which the accounting is incomplete.

3- BASIS OF CONSOLIDATION (CONTINUED)

Business combinations and goodwill (continued)
Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is re-measured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

4- SIGNIFICANT ACCOUNTING POLICIES

4/1 Financial Instruments

Financial Assets

A) Classification
The group classifies financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the group business model of managing its financial assets and the contractual terms of cash flows. For financial assets measured at fair value, gains and losses are recognized in the statement of profit or loss or other comprehensive income.

B) Measurement
On initial recognition, the Group measures the financial asset at its fair value. If the financial asset is not measured at fair value through profit or loss, it is measured through transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged as an expense in profit or loss.

Financial instruments included in derivative financial instruments are considered in determining whether their cash flows are the sole payment of principal and interest.

Debt Instruments:
Subsequent to the measurement of the debt instrument, which is based on the Group business method of managing the asset and the cash flow characteristics of the asset, there are three measurement categories for which the Group classifies debt instruments:

Amortized cost:
Assets held for the purpose of aggregating contractual cash flows where those cash flows represent the payments of principal and interest are measured at amortized cost. Gains or losses on a debt instrument subsequently measured at amortized cost and which are not part of the hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in financing income using the effective interest rate method.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/1 Financial Instruments (CONTINUED)

Financial Assets (CONTINUED)

B) Measurement (CONTINUED)

Fair value through other comprehensive income statement:
The group has selected to recognize changes in the fair value of investments in equity shares in OCI these changes are accumulated within OCI. May transfer this amount from OCI to retained earnings when the relevant shares are derecognized.

Dividends from such investments continue to be recognized in the statement of profit or loss as other income when the company right to receive payments is established.

Reclassification:
When an entity changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above-mentioned classification requirements.

Offset of Financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Share Capital
Instruments issued by the Group are classified as equity (shareholders' equity) only to the extent that the definition of the asset or liability does not apply. The Group ordinary shares are classified as equity instruments (Shareholders' equity).

Financial assets Impairment
IFRS 9 requires the entity to adopt the expected credit loss model regarding the decrease in the value of financial assets.

Under IFRS (9), loss allowances are measured on either of the following bases:

- 12-month ECL. These are ECLs that result from possible default events within the 12 months after the reporting date;

- Lifetime expected credit loss These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a credit asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. The Company can assume that credit risks on a financial instrument didn't significantly increase since the initial recognition; if the financial instrument is previously determined as low credit risk instrument at the date of report. However, lifetime expected credit loss measurement is always applied on trade receivables and assets of the contracts without the presence of a significant finance item, in which the Company can adopt this policy to trade receivables with a non-significant finance item.

4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/1 Financial Instruments (CONTINUED)

Financial Assets (CONTINUED)
Measuring expected credit losses serves as an indicator of the likelihood of default or the loss arising from default (meaning the magnitude of the loss if there is a default) and exposure to credit default. The assessment of the likelihood of default and the resulting loss from default is based on historical data adjusted for future information as outlined above. As for exposure to credit default, for financial assets, it is recorded at the total carrying amount of the assets at the reporting date.

The carrying amount of financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write - off is later recovered, it is recognized in profit or loss in the period of recovery.

The carrying amounts of non-financial assets of the group are reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indicators are present, the recoverable amount of the asset is estimated.

An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The recoverable amount is determined for an individual asset unless the asset does not generate largely independent cash flows that are separate from those of other assets or groups of assets. When the carrying amount exceeds the recoverable amount, the asset is considered impaired and is reduced to its recoverable amount. The fair value less costs to sell considers the most recent market transactions. If such transactions cannot be determined, an appropriate valuation model is used. The value in use is based on the discounted cash flow model, where expected future cash flows are discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks associated with the asset.

An assessment is conducted at each financial reporting date to determine whether there is evidence indicating the absence of previously recognized impairment losses or a reduction in such losses. If such evidence exists, the company estimates the recoverable amount of the asset or cash-generating unit. The reversal of a previously recognized impairment loss is made if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss. Any non-financial assets, excluding goodwill if any, whose carrying amount has been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial Liabilities
All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL. The group does not have any financial liabilities that are measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial liability, or (if appropriate), shorter period, to the amortized cost of the financial liability.

4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/1 Financial Instruments (CONTINUED)

Financial Liabilities (CONTINUED)

De-recognition Financial Liabilities
A financial liability is derecognized when the specified obligation is discharged, canceled, or expires. When replacing an existing financial obligation with another from the same lender on substantially different terms or amending the terms of the current liabilities substantially, this exchange or amendment is treated as a non-fulfillment of the original obligation and realization of a new obligation, and the difference in the related carrying value is recognized in the statement of profit or loss.

Settlement of financial instruments
Assets and liabilities are settled, and the net amount is recognized in the consolidated financial statements when there is a legally enforceable right to settle recognized amounts, and there is an intention to settle the net amount or to realize the asset and settle the liability simultaneously. The legally enforceable right should not be contingent on future events and should be enforceable in the normal course of business and in the event of default, insolvency, or bankruptcy of the group or counterparty.

4/2 Right-Of-Use Assets and Lease Obligations
The Company assesses whether a contract is, or contains a lease, at the inception of the contract. The Company recognizes a right to use the asset and a corresponding lease obligation in respect of all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. The Company recognizes payments for these leases as an operating expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

A) Right-of-use assets
The right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized and measured under International Accounting Standard No. (37), when the Company has incurred an obligation for the costs of dismantling and removing a leased asset, rehabilitating the site on which it is located or restoring the underlying asset to the condition required under the terms and conditions of the lease. Costs are included in the related right-of-use asset, unless those costs are incurred to produce the inventories.

The right to use the assets is depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. The relevant right-of-use asset is depreciated over the useful life of the underlying asset, if the lease contract transfers ownership of the underlying asset or the cost of the right-to-use asset reflects that the company expects to exercise the purchase option. Depreciation begins on the lease commencement date.

4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/1 Financial Instruments (CONTINUED)

B) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. The company uses an incremental borrowing rate if the rate is not readily determined. The lease payments included in the measurement of the lease liability consist of:

- fixed lease payments (including fixed implicit payments), less any lease incentives,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- the amount expected to be payable by the lessee under the residual value guarantees,
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payments of penalties in the event of termination of the lease, if the terms of the lease reflect the exercise of the option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the right-of-use asset) whenever:

- the lease term has changed or there has been a change in the assessment of exercising the purchase option, in which case the lease liability is remeasured by discounting the modified lease payments using the revised discount rate,
- Lease payments have changed due to a change in the index or rate or a change in the expected payment under the guaranteed residual value. In these cases, the lease obligation is remeasured by discounting the revised lease payments using the initial discount rate (unless lease payments change due to a change in the interest rate). floating point, in which case the adjusted discount rate is used).
- The lease contract has been modified and the lease contract modification has not been accounted for as a separate lease contract. In this case, the lease liability is remeasured by discounting the modified lease payments using a modified discount rate.

C) Short-term leases and leases with low-value assets

Short-term leases are leases term with 12 months or less. Low-value assets are items that do not meet the group capitalization limits and are considered to be not material to the group consolidated financial position statement as a whole. Short-term lease payments and low-value asset leases are recognized on a straight-line basis in the profit or loss statement.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3/4 Foreign Currencies translation

Translation of foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the end of each reporting period at the exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognized in the statement of profit or loss in the year in which they arise except for foreign exchange differences on monetary items due from or due to a foreign operation that are not likely or due to be settled (and therefore form part of the net Investment in the foreign operation) which is initially recognized in other comprehensive income and is reclassified from shareholders' equity to the statement of profit or loss upon settlement of the monetary items.

On disposal of a foreign operation (disposal of the Company's entire interest in a foreign operation, disposal involving loss of control of a subsidiary that includes a foreign operation), all cumulative exchange differences in equity for that operation attributable to the Company's shareholders are reclassified to the statement of profit or loss. In addition, in connection with the partial disposal of a subsidiary that includes a foreign operation, which does not result in the Company losing control of the subsidiary, the proportionate share of the accumulated exchange differences is redistributed to the non-controlling interests and is not recognized in the statement of profit or loss. For all other partial disposals (such as partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the cumulative exchange rate differences is reclassified to the statement of profit or loss.

4/4 Foreign currency translation differences for subsidiaries

Each subsidiary within the group accounts for transactions denominated in currencies other than the presentation currency based on the prevailing exchange rates at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the end of each financial period using the prevailing exchange rates on that date. Exchange rate differences on cash items are recognized in the consolidated statement of profit and loss in the period in which they arise, except when deferral of other comprehensive income is appropriate to hedge qualifying cash flows.

Assets and liabilities included in the consolidated financial statements of foreign subsidiaries, which are issued in their functional currency of Saudi Riyals, which is both the functional currency and the presentation currency for the group, using prevailing exchange rates at the end of the year. Revenues and expenses are translated into Saudi Riyals at the weighted average exchange rates during the year or, where appropriate, at the exchange rates prevailing at the transaction dates for significant transactions.

The changes resulting from the retranslation of the opening balance of the net assets from foreign operations and the changes resulting from the translation of the net results of the year from foreign operations are recognized in the statement of other comprehensive income.

When there is a change in control over foreign operations, the changes in exchange rates included in equity are reclassified to the consolidated statement of profit or loss as part of the gains or losses of the disposal.

(Expressed in Saudi Riyals)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5/4 Property, plant, and equipment

A) Recognition and measurement

Items of property, plant, and equipment, as well as Bearer plants are measured at cost net of accumulated depreciation and accumulated impairment losses "if any".

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes costs of materials, direct labor, any other costs directly attributable to preparing the asset for its intended use, and costs of dismantling, removing, and reinstalling them on the site.

When the useful lives of some items of property, plant, and equipment are different, they are accounted for as separate components (Major components) of property, plant, and equipment.

Gains or losses are determined upon disposal of any item of property, plant, and equipment by comparing the consideration received with the asset's carrying value and is inserted net in other income in the statement of profit or loss.

B) Subsequent costs & maintenance

The replacement cost of any item of property, plant, equipment, and overhaul is recognized in the carrying amount of the asset if it is probable that economic benefits will flow from that asset to the company, and those benefits can be measured reliably and the carrying value of the replaced part is derecognized. The daily cost of servicing property, plant, equipment, and overhaul is recognized in profit or loss as incurred.

C) Deprecation

Depreciation is calculated based on the depreciable amount and it is the asset cost or alternative amount of cost less the residual value.

Depreciation is recognized in the statement of profit or loss using the straight-line method over the estimated useful lives of each item of property, plant, and equipment, as this is the closest method that reflects the expected pattern of depreciation of the economic benefits inherent in the asset.

Below are the estimated depreciation rates for the current and comparative periods:

	Percentage %
Buildings and silos	2.5 – 10
Machinery and equipment	2.5 – 17.5
Wells and irrigation systems	3.33 – 20
Means of transportation and transfer	14.5 – 25
Mature plants and trees	2.27 – 8.33
furniture	17.5

Agricultural lands, projects under construction, and immature bearer plants are not depreciated.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5/4 Property, plant, and equipment (CONTINUED)

A) Deprecation (CONTINUED)

Projects under construction at the end of the year include some assets that have been acquired but are not ready for their intended use. These assets are transferred to the relevant asset classes and are depreciated when they are ready for use.

The group reviews the Depreciation methods, useful lives, and residual values are reviewed at the end of each financial year, to ensure that they reflect the benefit obtained, and in the event of a difference, it is treated as changes in the accounting estimates (in the year of change and subsequent years).

Project under construction

Project costs are accounted for on the basis of actual costs incurred and are presented as projects under construction until the project is handed over from the contractor. Then they are transferred to various items within property, plant, and equipment, and depreciation begins

6/4 Bearer plants

IAS 16 Property, Plant, and Equipment defines the bearer plants as:

- Used in the production or supply of agricultural products.
- Expected to yield more than once during the period.
- There is a remote possibility of selling them as agricultural products other than scrap sales.

Bearer plants are initially recognized at cost less accumulated depreciation and accumulated impairment losses. The cost incurred by the group includes the acquisition of the asset and includes the costs of raw materials, labor, and all other direct costs associated with placing the asset in a condition that enables it to achieve the purpose for which it was purchased.

Any gain or loss arising from the disposal of bearer plants (calculated on the basis of the difference between the net proceeds of sale and the carrying amount of plants) is recognized in other income in the statement of profit or loss in the period in which the asset is derecognized.

7/4 Biological assets

Biological assets are measured at fair value less costs to sell unless the fair value cannot be reliably measured. In that case, biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The biological assets are represented in the sheep herd, which is measured at fair value minus the cost of sale and is presented as a non-current part represented by females more than 6 months for Naimi, mothers and fathers for Naimi, Hari and goats, and a current part for newborns from one day to 6 months.

Also included in the biological assets are crops in the growing stage that have not yet reached the harvesting point. They are classified as current assets. Since the fair value cannot be reliably measured, they are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Fruit, olive, and palm trees are considered productive plants and are therefore presented and accounted for as property. However, the fruits that grow on these trees are accounted for as biological assets until the date of harvest. Agricultural costs related to these fruit-bearing trees, such as water expenses, labor costs, fertilizers, and pesticides, are charged as biological assets until the end of the harvesting period.

Seasonal crops such as wheat, potatoes, and other field crops are accounted for as biological assets until the date of harvest.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8/4 Investments in Companies by Equity Method

The associate company is an entity over which the group exerts significant influence. Significant influence is the ability of the group to participate in the financial and operating decisions of the investee company but does not constitute control or joint control over these policies.

The results, assets, and liabilities of associate companies are included in these consolidated financial statements using the equity method, whereby the investment in the associate company is initially recorded at cost in the consolidated statement of financial position. The cost is then adjusted to reflect the group's share of the associate's profit or loss and other comprehensive income. When the group's share of losses in the associate company exceeds its ownership interest in the associate company (which includes any long-term ownership interest that is part of the group's net investment in the associate company), the group ceases to recognize its share of further losses. Additional losses are only recognized to the extent that the group has incurred legal or contractual obligations or made payments on behalf of the associate company. If the associate company subsequently records profits, the group resumes recognizing its share of these profits only when its share of profits offsets its share of unrecognized losses.

The group accounts for its investment in the associate company using the equity method from the date on which the investee company becomes an associate. Upon acquisition of the investment in the associate company, any increase in the investment cost above the group's share of the fair value of the identifiable assets and liabilities of the investee company is recognized as goodwill and included in the carrying amount of the investment. Any increase in the group's share of the fair value of the identifiable assets and liabilities of the associate company over the investment cost after reassessment is immediately recognized in the consolidated statement of profit or loss in the year of the investment acquisition.

When one of the group's companies transacts with an associate company, the profits and losses resulting from this transaction are recorded in the consolidated financial statements of the group only to the extent of its ownership in the associate company that is not related to the group.

4/9 Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets internally generated, except for development costs, are not capitalized, and expenses are recognized in the statement of profit or loss as incurred. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the group, and the expenditure can be measured reliably.

Residual values of intangible assets, useful lives, and indicators of impairment are reviewed at the end of each financial year and adjusted prospectively when necessary.

4/10 Inventory

Inventory, except for damaged items, is evaluated at cost or net realizable value (whichever is lower). Any decline in net realizable value is recognized as an expense during the period in which the decline occurs. Any reversal of the decline is credited to the profit and loss statement during the period in which the reversal occurs. Net realizable value is determined by the estimated selling price of the products during the group's ordinary course of business, less any additional costs expected to complete the product and expenses necessary for marketing, distribution, and sale of the product.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/10 Inventory (CONTINUED)

The cost is determined as follows:

Items	Method of Cost Determination:
Raw materials, spare parts, and maintenance supplies	Weighted average
Project under construction	Cost per unit of production for the period based on the proportion of completion in the relevant stage.
Finished goods	- Cost per unit of production is determined by dividing the total production cost for the period by the outputs of the production available for sale for that period. The cost per unit includes the following: - Cost of raw materials used. - Cost of labor and depreciation of property, equipment and amortization of right of use assets (used in production). - Additional variable and fixed production costs.

Net realizable value and inventory valuation allowance

Inventory valuation is the process of determining the monetary value of a company's inventory. It typically involves assessing the cost of goods sold, including raw materials, work in progress, and finished goods. This valuation is crucial for financial reporting and decision-making purposes. Typically, inventory is valued at the lower of cost or market value, where market value is the replacement cost or net realizable value, whichever is lower. This ensures that inventory is not overstated on the balance sheet and reflects its true economic value.

Reducing inventory below its verifiable value requires collaboration with the external auditor to ensure that the value of assets is not inflated beyond what is reasonable.

A provision is made for slow-moving, obsolete, and damaged inventory. Damaged inventory is identified and written down during inventory counts. The provision for slow-moving and obsolete inventory is evaluated for each category during inventory counts as part of the financial reporting. The assessment aims to estimate the level of completion of inventory held based on potential sales and market trends.

4/11 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuous use and a sale is considered highly probable. They are measured at the lower of their carrying amount or fair value less costs to sell and depreciation is ceased.

4/12 Cash and cash equivalent

Cash and cash equivalent includes cash in banks, demand deposits, and other short-term, highly liquid investments with maturities of three months or less.

4/13 Trade receivables, prepayments, and other debit balances

Trade receivables, prepayments, and current assets are initially recorded at the transaction price less impairment losses in an amount equal to the estimated lifetime credit loss. When the due amounts are uncollectible, they are written off against the impairment losses. Any subsequent recoverable amounts previously written off are credited for impairment losses in the statement of profit or loss.

4/14 Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets for any impairment losses to determine whether there is any indication that these assets have suffered impairment losses. If any indication exists, the recoverable amount of the asset is estimated in order to determine impairment losses (if any). In the case that it is not possible to estimate the recoverable amount of a specific asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/14 Impairment of Non-Financial Assets (continued)

When a reasonable and consistent basis of allocation can be identified, similar group assets are also allocated to cash-generating units, or allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified. The cash-generating unit to which goodwill has been allocated is tested for impairment annually, whenever there is an indicator of impairment of the unit by comparing the carrying value of the unit with the recoverable amount, including the goodwill. With net recoverable amount of the unit.

Intangible assets with an indefinite useful life are not amortized. Instead, the asset is tested for impairment annually, whenever there is an indication of impairment of the asset.

The recoverable amount is the higher of the fair value of the asset less disposal costs or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow assessment has not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than the carrying value, the carrying amount of the asset (or cash-generating unit) is reduced to the recoverable value. Impairment losses are recognized directly in profit or loss.

When subsequently the impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is increased to the recoverable amount, so that the revised carrying amount does not exceed the value of the asset (or cash-generating unit) if the impairment loss was not accounted for previously. The reversal of an impairment loss is recognized directly in profit or loss. An impairment loss recognized in past periods is not reversed for goodwill in a subsequent period.

4/15 Zakat provision

The Zakat provision is calculated annually in the financial statements according to the regulations of the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia. The Zakat provision is settled in the fiscal year in which the assessment is adopted, and any differences between the Zakat provision and the requirements of International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" are recognized.

4/16 Value-added tax

The group is subject to the value-added tax system, and the tax is calculated as soon as the invoice is issued, the good is delivered or the price or part thereof is received, and the VAT return is submitted on a monthly basis.

4/17 Loans

Loans are recognized initially at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method.

Loans are derecognized from the statement of financial position when the obligation specified in the contract is satisfied, canceled, or expired. Term Loans are classified as current liabilities when they mature in less than 12 months.

4/18 Employee Benefits obligations

The group contributes to the retirement pension and social insurance for its employees in accordance with the Saudi Labor Law.

A) Employees End of Service benefit

End of service benefit is payable to all employees in accordance with the terms and conditions of the group work system, upon the termination of their service contracts. The group obligation to the defined benefit plans is calculated by estimating the value of future benefits due to employees in the current and future periods and discounting the due amount to arrive at the present value.

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/16 Employee Benefits obligations (continued)

Employees End of Service benefit (continued)
The group makes assumptions that are used when determining the main components of costs for the purpose of meeting these future obligations. These assumptions are made by an actuary and include those assumptions that are used to determine normal service cost as well as the financing component of the obligation, if any. The qualified actuary calculates the defined benefit obligation using the planned credit unit method.

The revaluation of defined benefit obligations that consist of actuarial gains and losses is recognized directly in the statement of other comprehensive income. The Group determines the net interest expense on defined benefit obligations for the year by applying the discount rate used.

In measuring defined benefit obligations at the beginning of the year and the net defined benefit obligations at the end of the year, any changes in net defined benefit obligations during the year resulting from contributions and payments for obligations are considered. Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit or loss.

B) Short-term employee benefits
Short-term employee benefit obligations are measured on a non-discounted basis and are expensed when the related service is provided.

The obligation is recognized for the amount expected to be paid under a short-term cash bonus payment plan or profit share plan if the company has a legal or contractual obligation to pay that amount as a result of a prior service provided by the employee, and if the value of the obligation can be estimated reliably.

4/19 Government grants
A government grant is recognized when there is reasonable assurance that the company will comply with the terms attached thereto and that the grant will be obtained and any potential liability or potential asset related to it is apply accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The initial measurement at fair value in the statement of profit or loss in the period for which such grants are recognized.

4/20 Provisions
Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the obligation amount. Provisions are determined by discounting the expected future cash flows to settle the present obligation that reflects current market assessments of the time value of money and the risks specific to that obligation (when the effect of the time value of money is material). The discount is recognized in finance costs.

4/21 Revenue
Revenue is recognized when the group fulfills its obligations in contracts with customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. Specifically, the standard provides a five-step approach for revenue recognition:

Step one: identify the contract(s) with customers.
Step two: identify the performance obligations in the contract.
Step three: Determine the transaction price.
Step four: Allocate the transaction price to each performance obligation in the contract.
Step five: Recognize revenue when a performance obligation is satisfied.

Revenue is recognized upon satisfying the performance of contractual obligations, when control over the goods or services is transferred to the customer to be able to use them for the intended purpose and without restrictions or to benefit from the services rendered under the contract.

4-SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4/21 Revenue (continued)

The group realizes its revenues from the following sources:

- Sales of fruits and vegetables.
- Sales of wheat and wheat derivatives.
- Sales of olive oil and livestock.
- Sales of poultry and processed meat.

Revenue from the sale of any by-products resulting from agricultural or industrial waste is treated as other revenue in the income statement.

Discounts

Additional discounts are granted to customers according to the market conditions and the competitive conditions, so revenue is recognized based on the price specified in the contract or agreed upon with the customer after deducting the specific discounts for each customer, using the accumulated experience to estimate and grant discounts, using the expected value method, Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur, the contractual obligation is recognized for the expected discounts in the volume of payable amounts to customers in respect of sales made up to the end of the reporting period.

Finance component

The company does not expect the existence of any contracts that exceed the period between the delivery of the products agreed to be sold to the customer and the payment by the customer for one year, so the company does not adjust any of the transaction prices by the time value of money.

4/20 Expenses

Selling and marketing expenses include direct and indirect expenses that are not part of the cost of revenue. Selling and marketing expenses are those expenses related to selling activity and goods delivery, in addition to all other expenses related to marketing.

General and administrative expenses include direct and indirect costs which are not a specific part of the operating activities, including salaries, other employee benefits, rents, consulting services fees, telecommunications expenses, and others. A common expense is allocated between the cost of revenue, selling and marketing expenses, and general and administrative expenses, if necessary, on a consistent basis.

4/23 Segment reports

The main activity of the group consists of segments that include agricultural production, manufacturing, and marketing of plant products. Operating segments are major components of the group that engages in business activities from which it may earn revenues and incur expenses. All operating results of the operating segments are reviewed regularly by the group chief operating decision-makers. Decisions are made regarding the resources allocated to the segments, their performance evaluation, whose detailed financial information is available.

4/24 Earnings per share

Basic and diluted earnings per share are calculated by dividing:

- Net income attributable to the group ordinary shareholders.
- Weighted average number of ordinary shares issued and outstanding during the year.

No ordinary shares have been issued by the group therefore the basic and diluted earnings per share are the same.

5-USE OF JUDGMENT, ESTIMATES, AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the amounts related to revenues, expenses, assets, and liabilities, and the disclosure of potential liabilities on the date of preparing the financial statements. However, the uncertainty involved in these assumptions and estimates may lead to significant adjustments to the carrying amount of assets or liabilities that may be affected in future periods.

Judgment

While applying the group accounting policies, management has made the following judgments that have a material impact on the amounts recognized in the consolidated financial statements:

Estimates and Assumptions

The following are the main assumptions related to future sources and other sources that cause uncertainty about estimates at the date of preparing the financial statements, and with which there are significant risks associated that may cause significant adjustments to the carrying values of assets and liabilities in subsequent financial periods. The company relied, in its estimates and assumptions, on the available information when preparing the financial statements. However, circumstances and assumptions about future developments may change according to changes in the market or circumstances arising outside the group control. These changes are reflected in the assumptions as they occur.

A) Provision for expected credit losses

The expected credit loss provision is determined by reference to a set of factors to ensure that receivable balances are not overvalued as a result of the probability that they will not be collected, based on aging from the initial date of recognition to measure expected credit losses.

Accounts receivable have been grouped based on common credit risk characteristics and the aging per days. The expected loss rates are derived from the group historical Information and adjusted to reflect the expected future outcome, which includes any future information on macroeconomic factors such as inflation and GDP growth rate. The main assumptions are disclosed in note no. (27)

B) Provision for slow-moving inventory

The company determines the provision for slow-moving inventory based on historical experience, the expected turnover of the inventory, inventory aging and inventory current condition, and current and future expectations of sales. The assumptions underlying when determining the provision for inventory obsolescence include future sales trends, projected inventory requirements, and the inventory components needed to support future sales and offers. The Company’s estimates of the provision for inventory obsolescence may differ substantially from period to period as a result of changes in product offers related to inventory. The main assumptions are disclosed in note no. (11).

C) Useful lives of property, machinery, equipment, and intangible assets

The company’s management determines the estimated useful lives of property, machinery, and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. The company reviews the residual value and useful lives of these assets annually, depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates. The main assumptions are disclosed in note no. (4).

D) Impairment of non-financial assets

Non-financial assets are reviewed for any impairment losses due to the decrease in their value whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized by finding the difference between the carrying amount of the asset and the recoverable amount. The recoverable amount is the fair value of the asset less costs to sell and the value in use, whichever is higher. For the purpose of assessing impairment, assets are grouped to their lowest level where there are identifiable cash flows (cash-generating units). Non-financial assets other than goodwill and those that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

5- USE OF JUDGMENT, ESTIMATES, AND ASSUMPTIONS (CONTINUED)

D) Impairment of non-financial assets (CONTINUED)
Where the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the carrying amount that has been increased must not exceed the carrying amount that would have been determined, any impairment loss is recognized for the asset or cash-generating unit in prior years. The reversal of impairment loss is recognized as direct income in the statement of profit or loss. Impairment losses on goodwill are not reversed.

E) Employees Defined Benefits Obligations
The cost of employees' end-of-service benefits is determined under the defined unfunded remuneration program that is measured using actuarial valuation. The actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and employee turnover. Due to the complexity of the evaluation and its long-term nature, the specific unfunded bonus obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed once or more per year when necessary. The main assumptions are disclosed in note no. (17).

F) Right-of-use assets and lease liabilities
Lease liabilities are measured at the discounted value of the lease payments, using the incremental borrowing rate as it is not readily possible to Determination of the interest rate implicit in the lease, which is generally applicable to the Group's leases. Incremental borrowing rate It is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset In a similar economic environment with similar terms, guarantees and clauses.

In determining the incremental borrowing rate, the Group uses recent financing offers received by the Group from third parties as a point, adjusted to reflect changes in financing terms.

G) Provision
Provisions, by their nature, rely on estimates and evaluations to ascertain whether the evidentiary criteria, including an estimate, have been met the probability of cash outflows. Management's estimates of provisions for environmental matters are based on cost estimation, after consideration Consider, legal advice and other information currently available. It also includes provisions for termination benefits and costs Exit, if any, in addition to the management’s judgment in estimating the expected outgoing cash flows for termination payments and closing Location or other exit costs. Provisions for contracts whose costs are greater than benefits or uncertain liabilities include Management's best estimate of whether the cash outflows are likely.

j) Biological assets
Biological assets shall be measured at fair value less costs to sell from the date of initial recognition of such biological assets up to the time harvest. Due to the lack of activity in Saudi Arabia and lack of observable market data, the management used some The assumptions that are significant in arriving at the fair valuation of biological assets at each reporting date. The main assumptions are disclosed in clarification no. (9).

z) Investments in equity instruments
For all equity investments, the Group evaluates those financial assets that are measured at fair value, whether Gains and losses are recognized either in net income (“fair value through statement of income”) or other comprehensive income (“fair value through statement of income”). through other comprehensive income”) by an irrevocable election at the time of initial recognition.

(Expressed in Saudi Riyals)

6- PROPERTY, PLANT AND EQUIPMENT, NET

	Lands	Buildings and construction *	Machinery and equipment**	Wells and irrigation equipment	Cars and trucks	Bearer plants	Furniture and fixture	Project under construction	Total
Cost									
As of 1 January, 2022	43,220,600	332,681,133	157,191,824	192,027,324	25,853,579	64,144,930	11,569,180	62,185,058	888,873,628
Additions	--	2,310	697,475	40,519	1,070,620	--	126,624	30,304,353	32,241,901
Transfers from project under construction to PPE	--	66,509	8,787,883	--	--	9,399,857	--	(18,254,249)	--
Disposals	--	--	(4,997,599)	(3,219,104)	(1,809,612)	--	--	--	(10,026,315)
As of 31 December, 2022	43,220,600	332,749,952	161,679,583	188,848,739	25,114,587	73,544,787	11,695,804	74,235,162	911,089,214
Additions	--	341,443	403,104	835,741	92,750	--	148,896	14,317,772	16,139,706
Transfers from project under construction to PPE	--	--	--	--	--	1,188,905	--	(1,188,905)	--
Disposal due to loss control on subsidiary company (note10/1)	--	(13,843,386)	(23,247,849)	--	(2,639,872)	--	(907,170)	(57,044,212)	(97,682,489)
31 December 2023	**43,220,600**	**319,248,009**	**138,834,838**	**189,684,480**	**22,567,465**	**74,733,692**	**10,937,530**	**30,319,817**	**829,546,431**
Depreciation and Impairment.									
As of 1 January 2022,	--	214,239,096	126,623,286	175,950,039	22,017,025	38,580,067	10,414,799	--	587,824,312
Additions	--	7,307,219	10,875,472	3,845,329	1,132,271	4,167,874	226,278	--	27,554,443
Disposals	--	--	(4,953,439)	(3,060,086)	(1,719,319)	--	--	--	(9,732,844)
As of 31 December, 2022	--	221,546,315	132,545,319	176,735,282	21,429,977	42,747,941	10,641,077	--	605,645,911
Additions		5,282,685	8,849,463	3,122,765	1,043,456	3,977,989	366,800	--	22,643,158
Disposal due to loss control on subsidiary company (note10/1)		(5,124,864)	(6,464,410)	--	(1,912,004)	--	(483,560)	--	(13,984,838)
As of 31 December, 2023		**221,704,136**	**134,930,372**	**179,858,047**	**20,561,429**	**46,725,930**	**10,524,317**	**--**	**614,304,231**
Net book value									
As of 31 December, 2023	**43,220,600**	**97,543,873**	**3,904,466**	**9,826,433**	**2,006,036**	**28,007,762**	**413,213**	**30,319,817**	**215,242,200**
As of 31 December, 2022 (restated)	43,220,600	111,203,637	29,134,264	12,113,457	3,684,610	30,796,846	1,054,727	74,235,162	305,443,303
As of 1 January, 2022 (restated)	43,220,600	118,442,037	30,568,538	16,077,285	3,836,554	25,564,863	1,154,381	62,185,058	301,049,316

** Machinery and equipment include the assets of the Masader Agricultural Feed Mill Ltd Co. (Subsidiary Company), whose net book value as at 31 December 2022 amount to SR 16.8 million and is mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted to the Group.

(Expressed in Saudi Riyals)

6-PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

6/1 Depreciation expense was allocated among the following items:

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Cost of sales	20	**14,806,220**	19,028,524	17,691,079
Selling and distribution expenses	21	**2,046,905**	2,126,876	2,286,582
General and administrative expenses	22	**2,237,123**	2,284,338	2,402,341
Biological assets	9	**3,552,910**	4,114,705	4,738,906
		22,643,158	27,554,443	27,118,908

6/2 Impairment of property, plant, and equipment

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**8,397,920**	8,397,920	--
Provided during the year	**--**	--	8,397,920
Balance at the end of the year	**8,397,920**	8,397,920	8,397,920

7- LEASE CONTRACTS

7/1 the following are movements of Right of use assets, net

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
<u>Cost</u>				
Balance as of 1 January		**916,151**	163,571	163,571
Additions during the year		**--**	752,580	--
Disposals due to loss control on subsidiary	10/1	**(752,580)**	--	--
Balance as of 31 December		**163,571**	916,151	163,571
<u>Accumulated Amortization</u>				
Balance as of 1 January		**173,844**	40,893	27,262
Amortization during the year	7/2	**13,631**	132,951	13,631
Disposals due to loss control on subsidiary	10/1	**(119,320)**	--	--
Balance as of 31 December		**68,155**	173,844	40,893
Balance as of 31 December		**95,416**	742,307	122,678

7/2 Amortization are distributed as follows:

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Cost of sales	20	**13,631**	132,951	13,631
		13,631	132,951	13,631

(Expressed in Saudi Riyals)

7- LEASE CONTRACTS (CONTINUED)

7/3 the following are movements on lease liability:

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance as of 1 January		**776,181**	133,846	144,880
Additions during the year		**--**	752,580	--
Finance charges during year	23	**3,113**	99,112	10,671
Disposals due to loss control on subsidiary	10/1	**(654,131)**	--	--
Payment during the year		**(21,705)**	(209,357)	(21,705)
Balance as of 31 December		**103,458**	776,181	133,846

7/4 the following are lease liability as presented at statement of financial position:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Current liability	**14,463**	129,457	11,796
Non-current liability	**88,995**	646,724	122,050
	103,458	776,181	133,846

8- INTANGIBLE ASSET, NET

Intangible assets are computer programs, which is amortized over 4 years.

8/1 Following is the movement on the book value of intangible assets, net:

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Cost				
Balance as of 1 January		**17,100**	17,100	17,100
Additions during the year		**--**	--	--
Balance as of 31 December		**17,100**	17,100	17,100
Accumulated Amortization				
Balance as of 1 January		**16,031**	11,756	7,481
Amortized during the year	22	**1,069**	4,275	4,275
Balance as of 31 December		**17,100**	16,031	11,756
Balance as of 31 December		**--**	1,069	5,344

9- BIOLOGICAL ASSET

Biological assets are the flock of sheep and the costs of seasonal crops at the end of the year but not harvested.

As on 31 December 2023- restated (Note33)	Sheep-note 9/1	Crops- note 9/2	Total
Biological assets classified as non-current assets	**16,453,145**	**--**	**16,453,145**
Biological assets classified as current assets	**1,061,650**	**17,394,168**	**18,455,818**
	17,514,795	**17,394,168**	**34,908,963**

(Expressed in Saudi Riyals)

9- BIOLOGICAL ASSET (CONTINUED)

As on 31 December 2022- restated (Note33)	Sheep-note 9/1	Crops- note 9/2	Total
Biological assets classified as non-current assets	18,941,240	--	18,941,240
Biological assets classified as current assets	1,567,050	16,993,449	18,560,499
	20,508,290	16,993,449	37,501,739

As on 1 January 2022- restated (Note33)	Sheep- note 9/2	Crops- note 9/2	Total
Biological assets classified as non-current assets	19,101,500	--	19,101,500
Biological assets classified as current assets	1,415,400	17,961,527	19,376,927
	20,516,900	17,961,527	38,478,427

9/1 flock of sheep

- During the year, the balance of the biological assets of the sheep herd decreased by 8,859,077 Saudi Riyals based on the company's internal assessment. Additionally, external valuation was conducted by "Rqeem" certified by Saudi Authority for Accredited Valuers (Taqeem) with license number 4210000026. Their assessment confirmed a decrease in the value of the sheep. Below is the movement of the sheep biological assets during the year:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance as of 1 January	**20,508,290**	20,516,900	13,901,351
Additions	**6,858,608**	6,530,958	7,396,359
Disposal*	**(9,852,103)**	(6,539,568)	(780,810)
Ending balance	**17,514,795**	20,508,290	20,516,900

The disposal during the year are divided into two categories as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
impairment in Fair Value of Sheep (Note 20) *	**8,859,077**	6,007,268	**--**
Cost of sales	**993,026**	532,300	780,810
Ending Balance	**9,852,103**	6,539,568	780,810

*Circumstances and Reasons Leading to the impairment in Fair Value of Sheep:
- Increase in the cost of raising sheep, mainly in feeds.
- Decrease in selling prices below market price average.

9/2 Crops

Crops were measured using the cost less any accumulated depreciation or impairment in accordance with International Accounting Standard "41," paragraph "30," based on the inputs used.

(Expressed in Saudi Riyals)

9-BIOLOGICAL ASSET (CONTINUED)

9/2 Crops (CONTINUED)

The costs of seasonal crops planted include the following:

	Note	31 December 2022	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Seeds, fertilizers, and pesticides		**4,283,748**	4,566,100	4,308,729
Spare parts, fuel, and maintenance		**3,054,273**	2,850,468	3,079,415
Salaries and related expenses		**4,668,271**	4,070,213	5,107,295
Depreciation of property plant and equipment	**6**	**3,552,910**	4,114,705	4,738,906
Other cost		**1,834,966**	1,391,963	727,182
Balance as of 31 December		**17,394,168**	16,993,449	17,961,527

(Expressed in Saudi Riyals)

10- INVESTMENTS

10/1 Investments in companies through equity method

The Group has investments in the following companies using the equity method:

31 December 2023	Participation ratio	Balance as of 1 January 2023 restated "note33"	The group's share at the date of loss of control	The group's share from profit or loss	The group's share of OC Loss	The group's share of additional share capital	Balance as of 31 December 2023
Horizons Food Company (Note 10/1/1)	40%	--	38,759,088	150,623,215	--	--	189,382,303
Rakhaa Agricultural Investment and Development Company (Note 10/1/2)	21.61%	3,559,285	--	4,930,080	(735,172)	4,358,773	12,112,966
East Asia Agricultural Investment Company (Note 10/1/3)	28.75%	--	--	--	--	--	--
Gulf Sustainable Energy Technology Company (Note 10/1/4)	50%	--	--	--	--	--	--
		3,559,285	38,759,088	155,553,295	(735,172)	4,358,773	201,495,269

31 December 2022-restated''note33''	Participation ratio	Balance as of 1 January 2023 restated "note33"	The group's share at the date of loss of control	The group's share from profit or loss	The group's share of OC Loss	The group's share of additional share capital	Balance as of 31 December 2023
Horizons Food Company (Note 10/1/1)	**40%**	--	--	--	--	--	--
Rakhaa Agricultural Investment and Development Company (Note 10/1/2)	**21.61%**	--	--	**4,971,291**	**(1,412,006)**	--	**3,559,285**
East Asia Agricultural Investment Company (Note 10/1/3)	**28,57%**	**220,297**	--	**(220,297)**	--	--	--
Gulf Sustainable Energy Technology Company (Note 10/1/4)	**50%**	--	--	--	--	--	--
		220,297	--	**4,750,994**	**(1,412,006)**	--	**3,559,285**

(Expressed in Saudi Riyals)

10- INVESTMENTS (CONTINUED)

10/1 Investments in companies using the equity method (CONTINUED)

10/1/1 Horizons Food Company (CONTINUED)

On September 3, 2023 AD, the Board of Directors of Tabuk Agricultural Development Company “TADCO” announced the loss of control over Horizons Food Company as a result of the loss of three members of the company’s Board of Directors based on the announcement of Horizons Food Company on the Tadawul website on August 6, 2023 AD regarding the resignation of the Chairman and two members of the Board of Directors and based on Article (98b) of International Financial Reporting Standard No. “10”, which stipulates:

A) Derecognition:

Assets and liabilities of the subsidiary at their book amounts on the date of loss of control, and all of the assets and liabilities of the subsidiary were eliminated on the date of 30 September 2023, as it is the closest financial position to the date of loss of control. The value of the assets and liabilities that were eliminated was as follows:

Horizons Food Company (CONTINUED)	30 September 2023
Total assets	109,715,466
Total liability	(12,817,747)
Net assets	96,897,719
The group's share in the net asset of subsidiary company at the date of loss of control	40%
group's share	38,759,088

The statement of assets and liabilities is as follows:

Horizons Food Company	30 September 2023
Assets	
Non-current assets	
Property plant and equipment, net	33,232,317
Right of use assets, net	248,984
Total non - current assets	33,481,301
Current assets	
Trade receivable, net	1,757,605
Inventory, net	4,935,729
Prepayments and other receivables, net	1,421,828
Cash and cash equivalent	2,289,723
Total current assets	**10,404,885**
Total assets	**43,886,186**
Liability	
Non- current liability	
Lease liability non - current portion	214,588
Employee end of services benefits	379,877
Total non - current liability	594,465
Current liability	
Lease liability – current portion	44,037
Trade payables	2,007,416
Accrued expenses and other payables	2,168,469
Zakat provision	312,711
Total current liability	**4,532,633**
Total liability	**5,127,098**
The group's share from net assets	**38,759,088**

(Expressed in Saudi Riyals)

10- INVESTMENTS (CONTINUED)

10/1 Investments in companies using the equity method (continued)

10/1/1 Horizons Food Company (continued)

The carrying amount of any non-controlling interests in the former subsidiary on the date of loss of control, including any components of other comprehensive income attributable to it. The results of the operations of the Food Horizons Company were compiled from the statement of profit or loss and other comprehensive income until September 30, 2023 within the results of the group's operations, as Because it is considered the closest financial position to the date of loss of control that was mentioned previously, then the total non-controlling shares resulting from Horizon Food Company were derecognized in the statement of changes in consolidated shareholders' equity.

That any investment held in the former subsidiary is recognized at its fair value on the date of loss of control, and that the resulting difference between the book value and the fair value on the date of loss of control is recorded in the statement of profit or loss and reached on 30 September 2023, as follows:

Fair value per shares	Number of shares	Total amount	Book value for share	Number of shares	Total amount	Different
58.5	3,200,000	187,200,000	12.11	3,200,000	38,759,088	148,440,912

Due to the transformation of Horizon Food Company from a subsidiary to an associate company in accordance with the Board of Directors' decision dated September 3, 2023, its financial results were consolidated from the statement of profit or loss and other comprehensive income, considering that the period ending on September 30, 2023, is the closest period to the date of loss of control. Consequently, the portion related to Tabuk Agricultural Development Company's share was excluded from the net profit in the statement of profit or loss and other comprehensive income, amounting to SAR 1,626,422. Additionally, the company's share of profit, loss, and other comprehensive income for the period from October 1 to December 31, 2023, was recognized under "Shares of profit of investments in associate through equity method" amounting to SAR 2,182,303, as follows:

Net profits of previous subsidiary Company From October 1 until December 31, 2023	Share of Tabuk Agricultural Development Company	Share of Tabuk Agricultural Company Of net profits
5,455,758	40%	2,182,303

The following is a summary of the Group's share of the associate's profits:

Statement	Amount
The group's share until September 30, 2023	1,626,422
The group's share from October 1 to December 31, 2023	2,182,303
Valuation gains on the investment at the date of loss of control	146,814,490
Total	150,623,215

10/1/2 Rakhaa Company for Agricultural Investment and Development

***The group owns an investment of 27.8% and an amount of SR 17,500,000 in Jannat Agricultural Investment Company - a Saudi limited liability company - under liquidation. The group previously recognized all losses with the total value of the investment.

- Jannat Agricultural Investment Company owns a 78% from the capital of Rakha Company for Agricultural Investment and Development - Egyptian joint stock company - and due to the liquidation procedures, the company waived its 78% in favor of the partners, and the shares were transferred in their names, according to his share, and accordingly the group's ownership became 21.61% share Directly in Rakha Company for Agricultural Investment and Development.

(Expressed in Saudi Riyals)

10- INVESTMENTS (CONTINUED)

10/1 Investments in companies using the equity method (continued)

10/1/2 Rakhaa Company for Agricultural Investment and Development (CONTINUED)

- During 2009, Rakha Company for Agricultural Investment and Development obtained a loan in the amount of SR 100 million, with guarantees provided by the partners in Jannat Agricultural Investment Company. Due to the deficit in the financial statements and the inability of Rakha Company for Agricultural Investment and Development to pay, the group recorded its share in the loan against the guarantee provided to the Saudi Fund for Development in the amount of SR 18 million.

During the year, the shareholders of Rakha Company for Agricultural Investment and Development agreed to transfer the loan balance credited with the records of Rakha Company for Agricultural Investment and Development to become a loan of shareholders without any financial returns and by Egyptian pounds and to extinguish the accumulated losses of the company With a loan of support, the General Assembly of Rakha Company for Agricultural Investment and Development was convened and approved by the General Assembly on 18 July 2022.

On August 15, 2023, the Board of Directors of the company unanimously decided to utilize an amount of 207,401,325 Egyptian pounds to increase the company's capital, consisting of the earmarked amount allocated under the capital increase account of 10,902,266 Egyptian pounds and the financing from shareholders amounting to 196,499,059 Egyptian pounds. A notice will be issued to convene an extraordinary general meeting to increase the company's capital by this amount. Therefore, the group's management included the current account as part of the investment cost as paid under investments in companies using the equity method until the completion of the procedures for increasing the capital of the associate company.

10/1/3 East Asia Agricultural Investment Company

*Eastern Asia Company for Agriculture investment was established on 7 May 2013, registered in the Kingdom of Saudi Arabia, with a capital of SR 70,000,000, Its activity is represented in agricultural investment and the establishment of agricultural projects for the production of crops, grains, rice, barley, fruits, olives, fodder, all agricultural products and field crops, and the establishment, management and maintenance of factories for food industries and the establishment of animal production projects, including raising livestock and poultry, and establishing and managing factories for dairy, meat and fodder products.

10/1/4 Gulf Sustainable Energy Technology Company

**The group owns a 50% share in the Gulf Company for Sustainable Energy Technology (under liquidation) at a value of SR 250,000, and impairment losses have been formed in the total of investment value, and the necessary legal measures are being taken to liquidate that company.

- The following is the list of financial position, profits, losses and other comprehensive income of Horizons Food Company, Rakhaa Agricultural Investment Company and East Asia Agricultural Investment Company as of December 31:

	Horizons Food Company		
	31 December 2023	**31 December 2022**	**1 January 2022**
Non-current assets	**87,309,502**	**80,691,150**	**57,522,561**
Current assets	**22,662,854**	**20,342,336**	**33,703,888**
Non-current liabilities	**(1,393,902)**	**(1,266,663)**	**(1,172,099)**
Current liabilities	**(6,224,976)**	**(6,715,977)**	**(5,843,304)**
Net assets	**102,353,478**	**93,050,846**	**84,211,046**
Revenues	**55,115,895**	**66,653,385**	**53,752,420**
Cost of revenue	**(38,641,170)**	**(47,355,800)**	**(37,058,667)**
Expenses	**(7,225,670)**	**(10,410,358)**	**(6,527,788)**
Other comprehensive income	**53,577**	**(47,427)**	**(34,859)**
Total comprehensive income	**9,302,632**	**8,839,800**	**10,131,106**

(Expressed in Saudi Riyals)

10- INVESTMENTS (CONTINUED)

	Rakhaa Company for Agricultural Investment and Development		
	31 December 2023	**31 December 2022**	**1 January 2022**
Non-current assets	**31,658,617**	**30,155,412**	**35,549,609**
Current assets	**50,916,479**	**32,930,979**	**27,443,306**
Non-current liabilities	**(1,950,293)**	**(1,825,329)**	**(48,396,732)**
Current liabilities	**(20,896,046)**	**(44,790,519)**	**(76,723,389)**
Net assets	**59,728,757**	**16,470,543**	**(62,127,206)**
Revenues	**78,291,710**	**71,187,889**	**36,367,705**
Cost of revenue	**(38,601,186)**	**(41,534,745)**	**(28,199,595)**
Expenses	**(16,876,646)**	**(20,973,249)**	**(2,009,099)**
Other comprehensive income	**(16,217)**	**11,369**	**--**
Total comprehensive income	**22,797,661**	**8,691,264**	**6,159,011**

	East Asia Agricultural Investment Company		
	31 December 2023	**31 December 2022**	**1 January 2022**
Non-current assets	**794,000**	**796,238**	**1,980,741**
Current assets	**46,184,118**	**48,353,057**	**49,943,377**
Non-current liabilities	**(2,159)**	**(69,168)**	**(58,549)**
Current liabilities	**(3,112,296)**	**(4,825,854)**	**(5,594,492)**
Net assets	**43,863,663**	**44,254,273**	**46,271,077**
Revenues	**--**	**--**	**841,477**
Cost of revenue	**--**	**--**	**(717,812)**
Expenses	**(390,611)**	**(2,016,804)**	**(4,489,807)**
Other comprehensive income	**--**	**--**	**--**
Total comprehensive income	**(390,611)**	**(2,016,804)**	**(4,366,142)**

10/2 Summary of the movement on the foreign currency translation reserve

	31 December 2022	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**(1,412,006)**	--	--
Charged during the year	**(735,172)**	(1,412,006)	--
Balance at the end of the year	**(2,147,178)**	(1,412,006)	--

Foreign currency translation is the translation of the financial statements of Rakhaa Company for Agricultural Investment and Development in the Arab Republic of Egypt.

(Expressed in Saudi Riyals)

10- INVESTMENTS (CONTINUED)

10/3 Investments at fair value through OCI

Investments at fair value are represented by the value of the Group's investment in the National Company for the Production and Trading of Seeds in the amount of SAR 789,520 (2022: SAR 681,458), which represents 1.4% of the company's total capital.

10.3.1 The following is a summary of the movement on the fair value reserve:

	31 December 2022	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance as of 1 January	**268,658**	--	--
Unrealized revaluation profits*	**108,062**	268,658	-
Balance as of 31 December	**376,720**	268,658	--

* the Group has evaluated its investment in the National Company for Seed Production and Trade and was evaluated using the second level of the fair value model in accordance with IFRS 9 similar market. A "multi-market" proportional valuation approach was used, which involves the use of valuation metrics from listed companies that are considered suitable for comparison with the valuation company.

The Group uses the fair value model to measure its investments at fair value through OCI as it evaluated it through an independent expert certified by Saudi Authority for Accredited Valuers (Taqeem) which is a partner for assessing economic establishments license No 3912000018.

11- INVENTORY, NET

	Note	**31 December 2023**	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Wheat		**133,530**	3,251,380	--
Feeds		**3,293,295**	1,485,790	593,496
Seeds		**466,025**	1,011,383	299,132
Fruits		**755,241**	6,175,450	6,642,508
Fertilizers and chemicals		**2,119,651**	1,994,765	1,882,423
Processed meat		**--**	12,516,623	7,438,029
Spare parts and other consumables items		**16,717,820**	14,482,057	14,584,167
		23,485,562	40,917,448	31,439,755
Less: Provision for slow-moving inventories	11/1	**(4,237,655)**	(2,656,917)	(4,096,140)
		19,247,907	38,260,531	27,343,615

11/1 Movement of the provision for slow-moving inventory as follow:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**2,656,917**	4,096,140	4,096,140
Provided during the year (note20)	**1,580,738**	--	--
reversal during the year (note 20)	**--**	(1,439,223)	--
Balance at the end of the year	**4,237,655**	2,656,917	4,096,140

(Expressed in Saudi Riyals)

12- PREPAYMENTS AND OTHER RECEIVABLES, NET

	Notes	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Ministry of Finance is a government subsidy		**8,806,500**	8,806,500	8,806,500
Advance payments to suppliers		**2,799,514**	5,285,414	5,086,616
Prepaid expenses		**1,738,560**	3,631,037	4,456,666
Employees loans		**2,215,913**	3,253,059	3,790,318
Accrued revenue		**--**	353,705	81,200
Third party guarantees		**15,000**	265,645	119,645
Other		**19,353**	372,993	870,509
Less: provision for other receivables	12/1	**(10,684,786)**	(10,658,713)	(289,720)
		4,910,054	11,309,640	22,921,734

12/1- movement in the provision for other receivables as follow:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**10,658,713**	289,720	209,514
Provided during the year	**26,073**	10,368,993	80,206
Balance at the end of the year	**10,684,786**	10,658,713	289,720

13- TRADE RECEIVABLE, NET

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Trade receivable		**18,678,678**	21,167,706	17,363,919
Less: provision for expected credit losses	13/1	**(11,524,146)**	(9,952,774)	(9,483,724)
		7,154,532	11,214,932	7,880,195

13/1 Movement in the Provision for expected credit losses as follow:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**9,952,774**	9,483,724	5,860,452
Provided during the year	**1,721,682**	469,050	3,623,272
Disposals due to loss of control on a subsidiary company	**(150,310)**	--	--
Balance at the end of the year	**11,524,146**	9,952,774	9,483,724

(Expressed in Saudi Riyals)

14- CASH AND CASH EQUIVALENTS

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Cash on hand		--	6,130	--
Cash at banks		**9,493,658**	4,712,001	57,207,732
ECL provision	14/1	**(6,890)**	--	--
		9,486,768	4,718,131	57,207,732

14/1 The movement in provision for expected credit losses is as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	--	--	--
Provided during the year*	**6,890**	--	--
Balance at the end of the year	**6,890**	--	--

* The balance of the provision for expected credit losses is represented in the total value of cash in bank balance in Sudan and there is no expected credit loss provision for local banks.

15- OTHER RESERVES

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Agreeable reserve*	**1,823,003**	1,823,003	1,823,003
Emergency reserve	**35,731**	35,731	35,731
	1,858,734	1,858,734	1,858,734

*The agreeable reserve is a reserve that is formed based on the decision of the Ordinary General Assembly, and not be used except by a decision of the Extraordinary General Assembly. In case this reserve is not formed for a specific purpose, the Ordinary General Assembly may be close it based on a recommendation from the Board of Directors, decide to spend it for the benefit of the Company/Group or the shareholders and this reserve was built since more than 10 years ago**.**

16- LOANS

Loans consist of the following:

	Note	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Saudi Industrial Development Fund	16/1	**5,500,000**	5,500,000	7,169,613
Agricultural Development Fund	16/2	**10,000,000**	1,819,301	1,819,301
		15,500,000	7,319,301	8,988,914

The loans presented in the financial position as follow:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Non-current portion- non-current liability	**10,000,000**	--	--
Current portion- current liability	**5,500,000**	7,319,301	8,988,914
	15,500,000	7,319,301	8,988,914

(Expressed in Saudi Riyals)

16- LOANS (CONTINUED)

16/1 The Group obtained a loan from the Saudi Industrial Development Fund during the year 2013 in the amount of SR 15.3 million, in order to finance the construction of an animal feed production plant with an annual compound production capacity of 81,600 tons, provided that the installments are paid in annual installments of equal value starting from 2018 and ending on The year 2022. During the year 2020 and as part of government measures to mitigate the impact of the Covid-19 epidemic on the economy, the Fund's management restructured the installments that are due during the crisis of this epidemic, and the installments were adjusted so that the last installment is paid in 2023. The loan is secured by a mortgage on the property and equipment of the project (Note 6) and the total value of the property and equipment for project amounted to 16,7 million Saudi Riyals.

16/2 On November 7, 2023, the group obtained a loan from the Agricultural Development Fund amounting to 50,500,000 Saudi Riyals, of which 10 million Saudi Riyals were utilized to finance the company's operating activities. The loan was secured by the land deed numbered 550107011639, with a total value of 382.5 million Saudi Riyals. Payment will be made in a one payment on November 7, 2025.

17- EMPLOYEES DEFINED BENEFITS OBLIGATION

The movement in the net defined benefit obligation:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**13,055,659**	12,949,307	11,178,598
Disposal due to loss of control on a subsidiary company (note 10/1)	**(949,693)**	--	--
Included in the consolidated Statement of profit or loss			
Current service cost and Interest cost	**2,415,532**	1,869,049	2,120,063
Included in the Statement of comprehensive income			
Actuarial (loss) / gains	**911,113**	(35,473)	538,918
Cash movement			
Benefits paid	**(1,112,021)**	(1,727,224)	(888,272)
Balance at the end of the year	**14,320,590**	13,055,659	12,949,307

The basic actuarial assumptions in calculating the present value of defined benefit obligations for employees are as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Discount rate	**4,45%**	4,11%	1,96%
Salary increase rate	**6%**	6%	1.96%
Retirement age	**60 years**	60 years	60 years

(Expressed in Saudi Riyals)

17- EMPLOYEES DEFINED BENEFITS OBLIGATION (CONTINUED)

	Impact on defined benefit obligation - increase / (decrease)		
	Change in assumptions	**Increase in assumptions**	**Decrease in assumptions**
Discount rate	1%	13,352,553	14,869,840
Salary increase rate	1%	14,914,417	13,297,551
employee turnover rate	10%	13,896,715	14,256,418
Mortality rate	years	14,072,055	14,063,679

An actuarial evaluation was performed by an independent and qualified actuary to ensure the sufficiency of the employees' end of service benefits provision on 31 December 2023, in accordance with the terms of work in the Kingdom of Saudi Arabia using the expected unit credit method accordance with IAS 19 Employee Benefits.

Assuming a statistical study of employees:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Number of Employees	**528**	554	564
Average age of employees (in years)	**41,26**	40,13	45,25
Average number of years of experience (in years)	**8,03**	7,3	14,81

Movement in accumulated changes in other comprehensive income:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**515,434**	479,961	1,018,879
(Loss) / Gain from revaluation of employee benefits obligations	**(911,113)**	35,473	(538,918)
Balance at the end of the year	**(395,679)**	515,434	479,961

Expected cash flows over the coming years on an undiscounted basis are as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
1 years	**3,112,282**	2,235,277	3,326,037
2 to 5 years	**6,256,168**	5,245,817	4,374,035
6 to 10 years	**3,750,762**	3,777,056	3,318,669
More than 10 years	**5,431,828**	4,498,827	2,364,954

(Expressed in Saudi Riyals)

18- ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Customers in advance	**11,836,431**	8,737,052	3,833,827
Accrued expenses	**20,176,106**	16,657,757	14,979,903
Shareholders credit balance	**8,526,173**	8,526,173	8,526,173
Board members remunerations provision	**3,237,749**	3,176,501	3,361,722
Value added tax	**--**	--	1,263,501
Other creditors	**1,514,849**	1,457,658	456,973
	45,291,308	38,555,141	32,422,099

19- ZAKAT PROVISION

19/1 The main elements of the zakat base are as follows:

	2023	31 December 2022 (restated note 33)
Non-current Assets	**434,075,550**	329,368,662
Non-current liabilities	**24,409,585**	13,702,383
Shareholders' equity – opening balance	**269,118,703**	321,989,731
Net profit / (loss) before zakat	**83,884,041**	(48,501,187)

19/2 Provision Movement

	2023	31 December 2022 (restated note 33)
Balance at the beginning of the year	**6,095,795**	4,727,187
Charge for the current year	**2,837,255**	5,149,440
Reverse during the year	**--**	--
Disposal due to loss control on a subsidiary company	**(558,802)**	--
Paid during the year	**(3,062,436)**	(3,780,832)
Balance at the end of the year	**5,313,835**	6,095,795

19/3 Components of the Zakat base

The main components of the Zakat base according to the regulations of the General Authority of Zakat, tax and Customs "ZATCA" are shareholders' equity, provisions at the beginning of the year, and adjusted net income, less the net carrying value of non-current assets and some other items.

19/4 Zakat Status

- The ZATCA issued a final assessment for the years from 2014 to 2018, and its total zakat differences amounted to SR 2,610,073, and it was escalated to the general secretariat of the tax committees.

Years	2014	2015	2016	2018
Final zakat assessment	439,550	1,020,191	670,772	479,560

(Expressed in Saudi Riyals)

19- ZAKAT PROVISION (CONTINUED)

19/4 Zakat Status (continued)

- The decision of the Appeal Committee regarding the assessment for the years 2014 and 2016 was issued to reject the company's objection completely, and this decision is considered final in accordance with Article 47 and 48 in accordance with the rules of work of the Committees for the Resolution of Tax Violations and Disputes, and for the years 2015 and 2018, the Committee's decision has not been issued up to date.

The estimated Zakat for the year 2023 amounted to 2,524,755 Saudi Riyals.

20- COST OF SALES

	Note	2023	31 December 2022 (restated note 33)
Consumables cost		**49,788,518**	63,583,791
Salaries, wages, and other benefits		**17,794,245**	12,164,217
Depreciation of property, plant and equipment	6	**14,806,220**	19,028,524
Impairment in biological asset	9	**8,859,077**	6,007,268
Impairment in inventory value - crops *		**3,379,669**	2,543,285
Providing /reversal provision for slow-moving inventory	11	**1,580,738**	(1,439,223)
Spare parts and filling materials		**756,092**	850,986
Commercial purchases		**49,093**	4,191,982
Amortization of the right to use assets	7	**13,631**	132,951
Others		**5,449,653**	7,641,055
		102,476,936	114,704,836

*The impairment in the valuation of crop stocks at the point of harvest is the difference between the actual cost and the realizable value of the crops after harvest after deducting marketing and storage expenses and any other expenses expected until the sale is completed.

21- SELLING AND DISTRIBUTION EXPENSES

	Note	2023	31 December 2022 (restated note 33)
Salaries, wages, and other benefits		**15,941,712**	15,880,320
Packaging		**4,954,616**	4,731,668
Depreciation of property, plant and equipment	6	**2,046,905**	2,126,876
Transport and Shipping		**1,823,371**	2,049,047
Repair, Maintenance and spare parts		**754,747**	201,803
Fuel and energy		**694,859**	595,039
Rent		**547,898**	457,181
Mail and phone		**295,189**	277,827
Consumed items		**283,064**	266,357
Exhibitions, marketing and advertising		**264,830**	252,505
Travels expenses		**118,949**	144,396
Insurance expenses		**108,683**	83,326
Sales promotions		**2,077,563**	1,881,209
Other		**1,664,813**	619,921
		31,577,199	29,567,475

(Expressed in Saudi Riyals)

22- GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2023	31 December 2022 (restated note 33)
Salaries, wages, and other benefits		**17,193,834**	17,318,207
Professional consulting fees		**4,104,856**	1,240,493
Remunerations and allowances for the Board of Directors		**4,458,249**	5,329,278
Depreciation of property, plant and equipment	6	**2,237,123**	2,284,338
Repair, Maintenance and spare parts		**564,766**	207,293
Fuel and energy		**449,717**	175,872
Donations		**385,000**	35,000
Insurance		**336,789**	51,147
Public relations and exhibitions		**236,893**	258,539
Rent		**108,953**	399,783
Mail and phone		**85,502**	518,011
Licenses and membership		**69,195**	363,789
Consumable items		**28,665**	53,768
Bank expenses		**14,227**	88,473
Amortization of intangible assets	8	**1,069**	4,275
Other		**3,086,780**	4,579,518
		33,361,618	32,907,784

23- FINANCE CHARGES

	Note	2023	31 December 2022 (restated note 33)
Interest expense charged to long term lease obligation	7	**3,113**	99,112
Financing cost charged to loans, bank facilities and others		**283,701**	6,713
Total finance cost charged to statement of profit or loss		**286,814**	105,825

24- GAIN / (LOSS) PER BASIC SHARE

	2023	31 December 2022 (restated note 33)
Gain / (loss) for the year attributable to equity shareholders	**81,046,786**	(53,650,627)
Weighted average number of common shares used as the denominator in calculating basic and diluted earnings per share	**39,176,700**	39,176,700
Profit basic and diluted earnings per share (EPS) from continuing operations	**2,07**	(1,37)

Basic and diluted loss per share is calculated by dividing the net loss attributable to the shareholders of the group by the weighted average number of ordinary shares during the year.

(Expressed in Saudi Riyals)

25- TRANSACTIONS WITH RELATED PARTIES

Related parties are the major shareholders, members of the Board of Directors, senior management personnel in the group, and entities managed or over which these parties exercise significant influence. The following is a statement of the related parties to the group:

Name	Nature of relation
Horizon Food Company Limited	Subsidiary
Ahmed Hussein Al-Omari EST	another related party
Ahmed bin Mohammed Al-Arfaj	Shareholder in a subsidiary
Ahmed Hussein Al-Omari	Non-controlling equity
Rakha Company for Agricultural Investment and Development	Associate company
Members of the group board of directors	Board of Directors
Top management and senior directors	Executive management

A-Due from related parties

Related Party	Nature of transactions	Balance as of 1 January 2023	Transactions during the year Debit	Transactions during the year Credit	Balance as of 31 December 2023
Rakha Company for Agricultural Investment and Development*	Payment on behalf of the associate	**5,223,134**	**--**	**5,223,134**	**--**
Ahmed Hussein Al-Omari EST	withdrawals	**5,819,735**	**400,191**	**1,396,146**	**4,823,780**
		11,042,869	**400,191**	**6,619,280**	**4,823,780**

* It represents the group's share of settlements resulting from transactions between Jannat Agricultural Investments Company (Under liquidation) which is the group invested in. During the year the ownership of 17,288 shares in Rakha for Agricultural Investment and Development was transferred to the group's ownership, (note 10).

B-Due to related party

Related Party	Nature of transactions	Balance as of 1 January 2023	Transactions during the year Debit	Transactions during the year Credit	Balance as of 31 December 2023
Ahmed Hussein Al-Omari	Finance	**25,297,535**	**11,152,062**	**--**	**14,145,473**
		25,297,535	**11,152,062**	**--**	**14,145,473**

C- Allowances and remunerations for members of the Board and senior of Directors:

	2023	31 December 2022 (restated note 33)
Salaries, remunerations and allowances for top management and senior directors	**7,473,074**	5,215,951
Allowances and remunerations for members of the board of directors and committees	**771,063**	524,278

(Expressed in Saudi Riyals)

26- OTHER EXPENSES, NET

	2023	31 December 2022 (restated note 33)
Legal Paneities and tax *	**(8,613,792)**	--
Write off the costs of unmatured olive trees	**--**	1,356,284
Other income / (expenses)	**878,347**	(317,902)
	(7,735,445)	(1,038,382)

Primarily, it consists of a case with a supplier where the ruling was in favor of the supplier for an amount of 6.6 million Saudi Riyals, in addition to value-added tax fines of 2 million Saudi Riyals.

27- FINANCIAL RISK MANAGEMENT

Capital management

The Group manages its capital to ensure its continuity and maximize return to shareholders by improving the balance between debt and equity. The group overall strategy remains unchanged from the previous year.

The Group capital structure consists of equity and debt, which consist of capital, statutory reserve, and retained earnings, accruals, and the due loan of the Saudi Industrial Development Fund.

Financial instruments categories

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Financial Assets			
At Amortized Cost			
Prepayments and other receivables, net	**3,988,826**	7,876,439	9,318,338
Due from related parties	**4,823,780**	11,042,869	14,286,325
Trade receivable, net	**7,154,532**	11,214,932	7,880,195
Cash and cash equivalents	**9,486,768**	4,718,131	57,207,732
	25,453,906	34,852,371	88,692,590
Financial Liabilities			
At Amortized Cost			
Loans and facilities	**15,500,000**	7,319,301	8,988,914
Trade payables	**33,616,725**	23,446,271	18,858,459
Accrued expenses and other payables	**33,454,877**	29,818,089	28,588,272
Dividends payable to shareholders	**22,961,106**	22,997,464	23,046,458
Due to related party	**14,145,473**	25,297,535	27,185,010
	119,678,181	108,878,660	106,667,113

The group's objective in capital management is to maintain the ability to continue delivering returns to shareholders and benefits to other stakeholders. This involves preserving a strong capital base to support the sustainable development of its operations.

(Expressed in Saudi Riyals)

27- FINANCIAL RISK MANAGEMENT (CONTINUED)

The group adjusted net liability to net equity ratio is as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Total liabilities	169,436,525	155,727,377	148,495,232
Less: cash and cash equivalents	(9,486,768)	(4,718,131)	(57,207,732)
Net liability	159,949,757	151,009,246	91,287,500
Total Shareholders' Equity	328,774,987	269,118,703	321,989,731
Adjusted Shareholders' Equity	328,774,987	269,118,703	321,989,731
Net liability to shareholders' equity	0.49	0.56	0,28

Market risk

The group is exposed to market risk in the form of interest rate risk as shown below. During the audit period, there were no changes in these conditions from the previous year.

Foreign currency risk management

Most of the group transactions using Saudi riyals and US dollars, and the US dollar is tied to the Saudi riyal at a fixed exchange rate. The group did not have any significant cash assets or liabilities in foreign currency at the date of the consolidated financial statements. Therefore, the foreign currency sensitivity analysis was not presented.

Agricultural risk management:

Severe operational disruption (fire, flood, etc.) The company is prepared to respond to operational disruptions to minimize losses and remain viable. An effective business continuity plan is continually reviewed and adapted for the changing nature of operational disruptions. Risk assessments are continually performed to identify possible events that could cause significant disruption. Risk of business disruption from flood has been removed through farm design. Farm buildings are constructed in areas that don’t have flash floods and are also elevated above ground level.

Climate Change

The group is subject to short-term and long-term climate change related risks. These risks are inherent part of operating agriculture. The group continually works to reduce the environmental footprint of the business, in part, due to the inherent risks.

Rising fuel costs and the greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on Company’s net profit. Climate change also creates risks for agricultural production through droughts, pests, diseases, etc. that pose challenges for sustaining and increasing production levels.

The group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming practices, landfill waste reduction, the group management has monitored water consummation by installing special meters on wells to monitor water consumption.

(Expressed in Saudi Riyals)

27- FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk than an enterprise will encounter difficulty in raising funds to meet commitments associate with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. The primary responsibility for managing liquidity risk is assigned to the Board of Directors, which has put in place an appropriate framework for managing liquidity risk to manage the company's short, medium, and long-term requirements and liquidity management requirements. The group manages liquidity risk by maintaining adequate funds by monitoring projected and actual cash flows on an ongoing basis by matching the maturities.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts:

	Non-deductible contractual cash flows					
2023	**Year or less**	**Year to 3 years**	**More than 3 years**	**Interest accruals for future periods**	**Total contractual maturity**	**Total carrying Value**
Non-derivative financial liabilities						
Loans and facilities	**5,500,000**	**10,000,000**	--	--	--	**15,500,000**
Lease liability	**14,463**	**88,995**	--	--	--	**103,458**
Trade payables	**33,616,725**	--	--	--	--	**33,616,725**
Dividends payable to shareholders	**22,961,106**	--	--	--	--	**22,961,106**
Accrued expenses and other payables	**33,454,877**	--	--	--	--	**33,454,877**
Zakat provision	**5,313,835**	--	--	--	--	**5,313,835**
	100,861,006	**10,088,995**	--	--	--	**110,950,001**
2022						
Non-derivative financial liabilities						
Loans and facilities	7,319,301	--	--	--	--	7,319,301
Lease liability	129,457	646,724	--	--	--	776,181
Trade payables	23,446,271	--	--	--	--	23,446,271
Dividends payable to shareholders	22,997,464	--	--	--	--	22,997,464
Accrued expenses and other payables	29,818,089	--	--	--	--	29,818,089
Zakat provision	6,095,795	--	--	--	--	6,095,795
	89,806,377	646,724	--	--	--	90,453,101

- Cash flows included in the above accrual analysis are not expected to be due early or in significant different amounts.

Interest rate risk management

The group is not exposed to interest rate risks, as the company's management depends fundamentally on providing liquidity through the company's operations, and does not rely during the current year on facilities and loans and therefore the interest rate sensitivity analysis was not presented.

(Expressed in Saudi Riyals)

27- FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the group has developed procedures to manage credit risk exposure, including assessing customers' credit limits, and monitoring the age of receivables on a permanent basis.

The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. And adjust their credit limits as needed. Trade receivables and others are mainly due from customers in the local market, and receivables have been shown at their estimated recoverable value. The group holds cash with banks in local banks with high credit ratings.

Bank decided in February 2023 to raise the rate of repurchase agreements “RIBOR” by 0.5 percent from 4 to 4.5 percent. The group management is closely following these changes to determine the possible financial impact on the results of its business during the coming periods.

Trade Accounts receivable

Customer credit risk is managed by each business unit in accordance with the group policies and procedures. The group has a policy of dealing with strong creditworthy parties only. Credit rating information for customers is obtained from independent rating agencies where it is available, and if it is not available, the group uses the available information and its trading records to evaluate its major clients. Credit limits are set for all customers based on internal evaluation criteria.

Trade receivables are interest-free and often have a credit period in line with industry standards. Usually, guarantees are not required, and letters of credit as well, but they can be used under certain circumstances in some markets, especially in less developed markets. The group has no concentration of credit risk as the customer base is equally distributed on both the economic and geographic levels.

The group reviews the recoverable amounts of each commercial debt on an individual basis at the end of the reporting period to ensure that there is an adequate provision for the non-recoverable amounts. In addition, impairment analysis is also performed at each reporting date based on facts and circumstances existing at that date to determine expected losses due to the time value of money and credit risk. For the purposes of this analysis, receivables are classified into portfolios based on homogeneous receivables. Each portfolio is then evaluated for impairment using the expected credit loss model in accordance with the provisions of the International Financial Reporting Standard No. (9). The calculation is based on a provision matrix in which actual historical data are adjusted appropriately for future projections and prospects. Loss rates are based on the actual experience of credit losses over the past years. Loss rates are then appropriately adjusted to reflect differences between current and historical economic conditions and the group view of economic conditions over the expected life of receivables.

The maximum credit exposure as of the reporting date of the group consolidated financial statement is as follows:

Financial assets	**31 December 2023**	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Cash and cash equivalents	**9,486,768**	4,718,131	57,207,732
Trade receivables, net	**7,154,532**	11,214,932	7,880,195
Due from related parties	**4,823,780**	11,042,869	14,286,325
	21,465,080	26,975,932	79,374,252

(Expressed in Saudi Riyals)

27- FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables aging at the reporting date is as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Less than three months	**1,688,212**	7,467,782	3,644,531
More than three months and less than six months	**2,827,468**	2,661,837	1,772,567
More than nine months and less than a year	**3,387,326**	1,736,297	2,006,473
More than a year	**10,775,672**	9,301,790	9,940,348
Total before deducting expected credit losses	**18,678,678**	21,167,706	17,363,919
After deducting provision:	**(11,524,146)**	(9,952,774)	(9,483,724)
Total after deducting provision for expected credit losses	**7,154,532**	11,214,932	7,880,195

Interest rate risk

Interest rate risk is the risk that the value of financial instruments or the associated cash flows will fluctuate due to changes in interest rates. The group exposure to the risk of changes in interest rates in the market is mainly related to the group long-term debt with changes in interest rates, and since all long-term obligations carry at fixed interest rates, the group is not exposed to the risk of higher interest rates on obligations, especially loans granted by the Agricultural Development Fund and the Saudi Industrial Development Fund.

Fair value of financial instruments

For the purposes of financial reporting, the group used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

- **Level 1 -** Prices traded in an active market for similar assets or liabilities that the company can value at the measurement date (without modification).
- **Level 2 -** Inputs other than prices included in Level 1 that can be considered as a value for an asset or liability, either directly (for example, prices) or indirectly (for example, derived from prices).
- **Level 3 -** Inputs for assets and liabilities that are not based on observable market information (unobservable inputs).

The group does not have financial instruments measured at fair value except investment at fair value through OCI, Employee defined benefit obligations, biological assets especially for sheep's and the financial instruments are carried at amortized cost. As of the date of the consolidated financial statements, the fair value of these instruments approximates the amortized cost that has been considered in the financial reports and related disclosures.

(Expressed in Saudi Riyals)

28- SEGMENT REPORTING

The information provided to the decision maker responsible for operations for the purpose of allocating resources and evaluating the performance of sectors focuses on the types of goods or services provided. The management of the group decided to organize the group according to the differences in the structure of the internal financial report. The Group's operating segments are as follows:

Operational segment	Activities
Feeds	Manufacturing Feed
vegetable	Planting Vegetables
fruit	Planting Seasonal fruits
Grains	Grain trading
Other products	Production of olive oil, honey and other products
Frozen meat	Selling frozen meat

31 December 2023 (Consolidated)	**Feeds**	**Vegetable**	**Fruit**	**Grains**	**Other products**	**Frozen meat**	**Total**
Revenue*	**2,003,555**	**2,188,688**	**19,151,037**	**32,537,467**	**9,455,955**	**40,160,598**	**105,497,300**
Depreciation and amortization	**3,531,503**	**564,289**	**4,937,537**	**8,388,838**	**2,452,942**	**2,782,749**	**22,657,858**
Net (loss) / profit for the year**	**(7,052,051)**	**(2,464,055)**	**(21,560,502)**	**(36,631,130)**	**144,907,650**	**3,846,874**	**81,046,786**
Total Assets	**29,764,241**	**9,225,416**	**80,722,464**	**137,146,857**	**241,352,534**	**--**	**498,211,512**
Total liabilities	**29,595,494**	**4,832,673**	**42,285,926**	**71,843,469**	**20,878,963**	**--**	**169,436,525**

The main reason for the increase in other assets is the transformation of Afq Food investment from an investment in a subsidiary company to investments in equity method investees, as indicated in note "10/1.

31 December 2022 – Restated “Note 33”	Feeds	Vegetable	Fruit	Grains	Other products	Frozen meat	Total
Revenue*	9,140,377	1,496,208	15,082,102	33,669,203	8,330,111	66,653,385	134,371,386
Depreciation and amortization	4,154,013	457,305	4,609,730	10,290,737	3,462,449	4,717,435	27,691,669
Net (loss) / profit for the year**	(14,264,111)	(1,071,648)	(10,802,448)	(24,058,865)	(5,983,592)	2,530,037	(53,650,627)
Total Assets	62,220,289	7,061,676	71,183,229	158,965,517	24,381,883	101,033,486	424,846,080
Total liabilities	59,457,753	2,251,882	22,699,463	50,674,158	12,661,481	7,982,640	155,727,377

(Expressed in Saudi Riyals)

28- SEGMENT REPORTING (CONTINUED)

1 January 2022 Restated "Note 33"	Feeds	Vegetable	Fruit	Grains	Other products	Frozen meat	Total
Revenue*	19,214,919	--	15,607,535	22,492,905	4,970,510	53,752,420	116,038,289
Depreciation and amortization	7,577,759	--	6,472,200	9,327,455	2,061,194	1,698,205	27,136,813
Net (loss) / profit for the year**	(22,083,318)	--	(19,476,627)	(28,068,873)	(6,185,444)	5,281,322	(70,532,940)
Total Assets	121,909,325	--	98,454,428	141,888,268	16,141,636	92,091,306	470,484,963
Total liabilities	36,965,062	--	38,112,801	54,926,523	12,137,732	6,353,114	148,495,232

* The group revenue from contracts with customers is through the sale of consumer products. Product control is moved at a point in time and is sold directly to customers.

** The cost of financing and zakat expenses has not been analyzed at the sector level, as they are linked to the central treasury function, which manages the cash position at the group level.

(Expressed in Saudi Riyals)

29- SUBSIDIARIES

The following table summarizes information about subsidiaries:

	Masader Agricultural Feed Mill Ltd		
	31 December 2023	31 December 2022	1 January 2022
Non-current asset	**16,845,729**	19,900,885	22,737,725
Current asset	**7,183,471**	6,337,792	18,845,389
Non-current liabilities	**(341,728)**	(336,310)	(265,874)
Current liabilities	**(22,437,472)**	(24,652,367)	(53,183,846)
Asset, net	**1,250,000**	1,250,000	(11,866,606)
Sales	**97,678**	1,499,505	7,825,092
Cost of sales	**(4,080,078)**	(5,333,083)	(9,781,631)
Expenses	**(923,988)**	(10,780,071)	(11,160,066)
Other comprehensive losses	**--**	--	--
Total comprehensive losses	**(4,906,388)**	(14,613,649)	(13,116,605)

*The Group's revenue is represented by contracts with customers through the sale of consumer products. Control of products is transferred at a specific point in time and sold directly to customers.

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30- DISMANTLING PROVISION

It represents the value of the obligation arising from the obligation to remove and transfer the irrigation systems and the sheep project, which are built on lands that may be deducted by the state. The movement on the provision for removal and transfer is as follows:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**1,277,200**	2,150,000	2,150,000
Reverse during the year	**--**	(872,800)	--
Balance at the end of the year	**1,277,200**	1,277,200	2,150,000

31- DIVIDENDS PAYABLE TO SHAREHOLDERS

Dividends payable to shareholders represent undisbursed profits from previous years. The following is the movement of dividends payable to shareholders during the year:

	31 December 2023	31 December 2022 (restated note 33)	1 January 2022 (restated note 33)
Balance at the beginning of the year	**22,997,464**	23,046,458	23,081,694
Paid during the year	**(36,358)**	(48,994)	(35,236)
Balance at the end of the year	**22,961,106**	22,997,464	23,046,458

32- THE GOING CONCERN PRINCIPLE AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

The Group consolidated financial statement indicates that the group has accumulated losses of SR 63,184,610 which represent 16.1% from capital (2022:163,094,500 which represent 41.6% from capital) and the total losses from operation for the year ended December 31, 2023 of SR 61,918,453 (2022: SR42,808,709). Further, the current liabilities of the group exceeded its current assets resulting in negative working capital as of December 31, 2023 of SR 80,890,978. The group also has negative cash flow from operating activities of SR 13,830,429 (2022: SR 17,568,214). These conditions indicate the existence of material uncertainties and impairments in the value of assets, which may indicate that there is significant doubt about the Group's ability to continue as a going concern

The following main factors that led to increase the accumulated losses and working capital deficits:

- During the year ended December 31, 2023. the main factor for the increase in operating losses is as follows:

1) significant decrease in wheat seed sales compared with the previous year, with sales amounting to 3,381,911 Saudi Riyals as of December 31, 2023. equivalent to 1,581 tons, at average selling price of 2,139 Saudi Riyals per ton, compared with the previous year December 31, 2022. sales amounted to 27,374,753 Saudi Riyals, equivalent to 11,655 tons, at a price of 2,349 Saudi Riyals per ton.

The following key factors that management taken to reduce accumulated losses and working capital deficits:

- The company has prepared a business plan for the coming years until 2030 and this study prepared based on the group will not lose any of its production during these coming years and will work on reduce the percentage of selling and distribution expenses from total revenues.

- On 15 March 2023, The Group announced that sale part of its shares in Horizon Food Company (a subsidiary Company) that led to an exceptional profit of SR 19.3 million, which will be directly reflected on the accumulated losses as a result of this sale did not change in control, which will lead to a reduction in accumulated losses.

- On 3 September 2023, the Board of Directors decided that Tabuk Agricultural Development Company lost control over horizons Food Company, based on horizons Food Company's announcement on 6 August 2023, regarding the resignation of the chairman and two board members. Since that date, the group has lost control over the subsidiary company. Consequently, all assets and liabilities of horizons Food Company were excluded from the consolidated financial statements for the year ended December 31, 2023. According to International Financial Reporting Standard 10, the company is required to assess the fair value of the subsidiary as of the date control was lost. The assessment resulted in profits amounting to SAR 148,440,912, contributing to the reduction of accumulated losses.

The following key factors that management taken to solve the indicators related to impairment in assets:

- During the current year, the company engaged with value hub, certified by Saudi Authority for Accredited Valuers (Taqeem), license number 3912000018, to prepare a study on the impairment of property, plant, and equipment. The study resulted that there was no need to any impairment provision.
- Furthermore, the company calculated the fair value of the land by an expert certified by Saudi Authority for Accredited Valuers (Taqeem), license number 1210000391. The value of the land based on the valuation amounted to 530,000,000 Saudi Riyals, indicating no impairment in the land value, as the value in the group's books was 43,220,600 Saudi Riyals.
- The value per share for the subsequent period for the group amounted to 19.84 Saudi Riyals compared to a book value of 10 Saudi Riyals per share, indicating no decrease in the value of the share.
- The group also engaged Caliber Consulting to prepare a business plan for the group until 2030. Based on this plan, the group is expected to witness an improvement in its financial performance in the coming years.

Therefore, the consolidated financial statements of the group have been prepared on a going concern basis and the management of the group believes that there is no impairment in the value of the assets.

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS

33/1 The following are the amendments to the consolidated statement of financial position for the year ended 1 January 2022

	Note	1 January 2022 as previously stated	Effect of adjustment and reclassification	1 January 2022 - Restated
Assets				
Non-Current Assets				
Property, plant and equipment, net		301,049,316	--	301,049,316
Right of use asset, net		122,678	--	122,678
Intangible assets, net		5,344	--	5,344
Biological assets - non-current portion, net		19,101,500	--	19,101,500
Investments in associate companies at equity method	1	15,433,309	(15,213,012)	220,297
Investments at fair value through OCI		412,800	--	412,800
Total Non-Current Assets		336,124,947	(15,213,012)	320,911,935
Current Assets				
Trade Receivable, net		7,880,195	--	7,880,195
Inventory, net		27,343,615	--	27,343,615
Biological assets - Current portion, Net		19,376,927	--	19,376,927
Property, plant and equipment held for sale		556,500	--	556,500
Due from related parties		14,286,325	--	14,286,325
Prepayments and other receivables, net		22,921,734	--	22,921,734
Cash and cash equivalents		57,207,732	--	57,207,732
Total Current Assets		149,573,028	--	149,573,028
Total Assets		485,697,975	(15,213,012)	470,484,963
Shareholders' Equity And Liabilities				
Shareholders' Equity				
Share capital		391,767,000	--	391,767,000
Other reserves		1,858,734	--	1,858,734
Re-measurement reserve of employee defined benefit obligations		479,961	--	479,961
Accumulated losses	1	(96,412,880)	(15,213,012)	(111,625,892)
Total equity attributable to shareholders of the Parent Company		297,692,815	(15,213,012)	282,479,803
Non-controlling interest		39,509,928	--	39,509,928
Total Equity		337,202,743	(15,213,012)	321,989,731

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS (CONTINUED)

33/1 The following are the amendments to the consolidated statement of financial position for the year ended 1 January 2022 (continued)

Liabilities	Note	1 January 2022 as previously stated	Effect of adjustment and reclassification	1 January 2022 - Restated
Non-Current Liabilities				
Employee defined benefit obligations		12,949,307	--	12,949,307
Lease liabilities – non-current portion		122,050	--	122,050
Total Non-Current Liabilities		13,071,357	--	13,071,357
Current Liabilities				
Dismantling provision		2,150,000	--	2,150,000
Provision for guarantee loan related to associate company		18,033,952	--	18,033,952
Long term loans - current portion		8,988,914	--	8,988,914
Lease liabilities - current portion		11,796	--	11,796
Trade payables		18,858,459	--	18,858,459
Due to related party		27,185,010	--	27,185,010
Accrued expenses and other payables		32,422,099	--	32,422,099
Dividends payable to shareholders		23,046,458	--	23,046,458
Provision for Zakat		4,727,187	--	4,727,187
Total Current Liabilities		135,423,875	--	135,423,875
Total Liabilities		148,495,232	--	148,495,232
Total Shareholders' Equity And Liabilities		485,697,975	(15,213,012)	470,484,963

1) This amount represents the value of the provision for expected credit losses in East Asia Agricultural Investment Company "associate company" amounting to 45,500,000 Saudi Riyals. The group's share amounted to 12,999,350 Saudi Riyals, with the derecognition of 2,213,662 Saudi Riyals from the investment balance.

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS (CONTINUED)

33/1 The following are the amendments to the consolidated statement of financial position for the year ended 31 December 2022 (continued)

	Note	31 December 2022 as previously stated	Effect of adjustment and reclassification	31 December 2022 - Restated
Assets				
Non-Current Assets				
Property, plant and equipment, net		305,443,303	--	305,443,303
Right of use asset, net		742,307	--	742,307
Intangible assets, net		1,069	--	1,069
Biological assets - non-current portion, net		18,941,240	--	18,941,240
Investments in associate companies at equity method	1	18,493,159	(14,933,874)	3,559,285
Investments at fair value through OCI		681,458	--	681,458
Total Non-Current Assets		344,302,536	(14,933,874)	329,368,662
Current Assets				
Trade Receivable, net		11,214,932	--	11,214,932
Inventory, net		38,260,531	--	38,260,531
Biological assets - Current portion, Net		18,560,499	--	18,560,499
Property, plant and equipment held for sale		370,816	--	370,816
Due from related parties		11,042,869	--	11,042,869
Prepayments and other receivables, net		11,309,640	--	11,309,640
Cash and cash equivalents		4,718,131,	--	4,718,131
Total Current Assets		95,477,418	--	95,477,418
Total Assets		439,779,954	(14,933,874)	424,846,080
Shareholders' Equity And Liabilities				
Shareholders' Equity				
Share capital		391,767,000	--	391,767,000
Other reserves		1,858,734	--	1,858,734
Re-measurement reserve of employee defined benefit obligations		515,434	--	515,434
Foreign currency translation reserve	2	(529,582)	(882,424)	(1,412,006)
Fair value reserve		268,658	--	268,658
Accumulated losses	1	(149,043,050)	(14,051,450)	(163,094,500)
Total equity attributable to shareholders of the Parent Company		244,837,194	(14,933,874)	229,903,320
Non-controlling interest		39,215,383	--	39,215,383
Total Equity		284,052,577	(14,933,874)	269,118,703

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS (CONTINUED)

33/1 The following are the amendments to the consolidated statement of financial position for the year ended 31 December 2022 (continued)

Liabilities	Note	31 December 2022 as previously stated	Effect of adjustment and reclassification	31 December 2022 - Restated
Non-Current Liabilities				
Lease liabilities – non-current portion		646,724	--	646,724
Employee defined benefit obligations		13,055,659	--	13,055,659
Total Non-Current Liabilities		13,702,383	--	14,071,157
Current Liabilities				
Dismantling provision		1,277,200	--	1,277,200
Provision for guarantee loan related to associate company		16,906,830	--	16,906,830
Long-term loans - current portion		7,319,301	--	7,319,301
Lease liabilities - current portion		129,457	--	129,457
Trade payables		23,446,271	--	23,446,271
Due to related party		25,297,535	--	25,297,535
Accrued expenses and other payables		38,555,141	--	38,555,141
Dividends payable to shareholders		22,997,464	--	22,997,464
Provision for Zakat		6,095,795	--	6,095,795
Total Current Liabilities		142,024,994	--	142,024,994
Total Liabilities		155,727,377	--	155,727,377
Total Shareholders' Equity And Liabilities		439,779,954	(14,933,874)	424,846,080

1- This amount represents the provision for expected credit loss in East Asia Agricultural Investment Company "associate company" amounting to SAR 45,500,000, with the group's share amounting to SAR 12,999,350. with the derecognition of SAR 2,303,298 Saudi Riyals from the investment balance.

2- This represents the reclassification of the company's share of foreign currency translation losses amounting to SAR 882,424 from accumulated losses to foreign currency translation reserve.

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS (CONTINUED)

33/2 The following are the amendments to the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2022

	Note	31 December 2022 as previously stated	Effect of adjustment and reclassification	31 December 2022 - Restated
Sales, net		134,371,386	--	134,371,386
Cost of sales		(114,704,836)	--	(114,704,836)
Gross profit		19,666,550	--	19,666,550
Selling and distribution expenses		(29,567,475)	--	(29,567,475)
General and administrative expenses		(32,907,784)	--	(32,907,784)
Operating losses		(42,808,709)	--	(42,808,709)
Government Grants Allocation – Ministry of Finance		(8,806,500)	--	(8,806,500)
Provision for expected credit losses		(469,050)	--	(469,050)
Shares of profit of investments in associate through equity method	1	3,589,431	1,161,563	4,750,994
Finance costs		(105,825)	--	(105,825)
Other expenses, net		(1,038,382)	(23,715)	(1,062,097)
Net loss before Zakat		(49,639,035)	1,137,848	(48,501,187)
Zakat		(5,149,440)	--	(5,149,440)
Net loss for the year		(54,788,475)	1,137,848	(53,650,627)
Other comprehensive loss				
Items that will not be reclassified to profit or loss:				
Unrealized gains from investments at fair value through other comprehensive income		268,658	--	268,658
Actuarial gains on re-measurement of employee defined benefit obligations		35,473	--	35,473
Items that may be reclassified later to statement of profit or loss in subsequent periods:				
Foreign currency translation differences		(529,582)	(882,424)	(1,412,006)
Total other comprehensive loss		(225,451)	(882,424)	(1,107,875)
Total comprehensive loss for the year		(55,013,926)	255,424	(54,758,502)

1) This represent of reclassifying the company's share of foreign currency translation losses amounting to SAR 882,424 from profit and loss to other comprehensive income, and also includes amount SAR 255,424 representing the reverse of the company's share of investments in companies under the equity method.

(Expressed in Saudi Riyals)

33- RESTATEMENT ON PIROR YEARS (CONTINUED)

33/3 The amendments to the consolidated statement of cash flows for the year ended 31 December 2022 are as follows:

	31 December 2022 as previously stated	Effect of adjustment and reclassification	31 December 2022 - Restated
Net cash used in operating activities	**(19,455,688)**	*1,887,474	(17,568,214)
Net cash used in investment activities	**(31,762,746)**	--	(31,762,746)
Net cash used in financing activities	**(1,271,167)**	*(1,887,474)	(3,158,641)

This consists of non-cash transactions included in cash transactions, which involve non-controlling interest holders bearing losses in a subsidiary company.

34- COMPARISON FIGURES

Some comparative figures have been reclassified to align with the current presentation of the financial statements.

35- SUBSEQUENT EVENTS

On Thursday, March 7, 2024, the official currency of the state in which the associate company, "Rakhaa for Agricultural Investment and Development," was decreased by 55% against the Saudi Riyal compared to the levels applied on December 31, 2023. This may impact the value of the investment in that company in subsequent periods compared to the date of the consolidated financial statements as follows:

Investment balance as of 31 December 2023	**Investment balance as of 7 March 2024**	**Effect of exchange rate change**
12,112,966	5,438,910	(6,674,056)

Furthermore, no events have occurred subsequent to the date of the financial position that would require adjustment or disclosure in these financial statements, except as disclosed in the consolidated financial statements.

36- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors in 20 Ramadan 1445 H (corresponding to 30 March 2024).